



2018/19

ANNUAL REPORT



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CHAPTER 1: MAYOR'S FOREWORD & EXECUTIVE SUMMARY



COMPONENT A: MAYOR'S PREFACE

This is the third report of the political administration that was elected in 2016 Local Government Elections. It is arguable true that Maruleng is a better place to live in than it was in 2000. Although we have done better, we cannot say our work is complete when unemployment, inequality and poverty still reign supreme in our everyday life as articulated in both the National Development Plan (NDP) and Limpopo Development Plan (LDP) respectively. The Local Government: Municipal Financial Management Act (no. 56 of 2003) subjects all municipalities to prepare and adopt the **Annual Report** which aims to: provide a record of all activities of the Municipality during financial year to which the report relates; provide a performance account and promote accountability to local community (see RSA, 2003: S121 (1). The Local Government: Municipal Systems Act (no.32 of 2000) Section 46 also requires the municipality to prepare **Annual Performance Report** for each financial year which must reflect the following:

- (a) the performance of the municipality and each of the external service provider;
- (b) a comparison of the performance with the previous financial year; and
- (c) measures taken to improve performance

This report is a sincere attempt to comply with performance legislations. Chapter three (03) details the performance of the MLM. A synopsis of Service Provider's Performance will be found in Appendix A. This report is tailored in such a way that it outlines measures taken to improve performances in a designated column. A high level comparisons of performance of 2017/18 and 2018/19 is also indicated in Chapter three (03). It is against this background that this report presents the **annual performance record** of the MLM for the financial year 2018/19.

The Report will focus on the achievements against the targets set for the period under review, 2018/19 financial year. By so doing, it embodies and epitomizes governance precepts and requirements set in King III Report. The Mayor's foreword also reflects on our **vision, key policy developments, future actions, agreements/partnerships and key service delivery improvements**.

A.VISION

The MLM's vision is "To be the powerhouse of socio-economic development through sustainable and integrated agriculture and tourism". The vision is set to be achieved by carrying out our mission: "Maruleng Local Municipality is committed to the accelerated provision of quality basic services and promotion of socio-economic development through the harnessing of all resource endowments in an integrated and sustainable manner".

B.Key Policy Developments

In pursuit of achieving its vision, the municipality has adopted the Integrated Development Plan (IDP) within the legal timeframe, May 2018. The IDP conducts the community needs analysis, set priorities, strategies, projects, budget and relevant sector plans in alignment with the district, provincial and national strategic thrust i.e. National Spatial Development Perspective (NSDP), National Development Plan (NDP), New Growth Path, Limpopo Development Perspective (LDP) which guides the municipality in long term planning and others. The impact of these strategies and sector plans could be seen in the context of the **six performance areas** of municipal government namely: Spatial Rationale, Basic Service Delivery and Infrastructure Development, Local Economic Development, Financial Viability, Good Governance and Public Participation and Municipal Transformation and Organizational Development. This led the municipality to adopt its strategic objectives as thus: (1) Plan for the future; (2) Improve community well-being through accelerated service delivery; (3) Build effective and efficient organization; (4) Become financially viable; (5) Develop partnership; (6) Grow the economy and provide livelihood support; (7) Develop and retain skilled and capacitated workforce; and (8) Effective and efficient community involvement.

The projects contained in the Service Delivery and Budget Implementation Plan (SDBIP) contribute towards attainment of these objectives. Also worth nothing is that during under review at least 10 finance related policies were either reviewed or developed namely; credit and debt collection policy, Revenue enhancement policy, tariff policy, inventory and asset management policy, supply chain management policy, banking and investment policy, rates policy, indigent policy, inventory and asset management policy, budget management and virement policy, write-off policy and travel and subsistence policy. Appendix B contains an indication of Human Resource Policies and Plans.

Future Actions

The municipality has the following future plans:

<ul style="list-style-type: none">• Filling of Senior Management positions within 3 months of being vacant
<ul style="list-style-type: none">• Extending refuse collection to all rural villages (households)
<ul style="list-style-type: none">• Facilitating the construction of three shopping centres (The Oaks and Makhutswe CPA)
<ul style="list-style-type: none">• Gradual replacement of ageing infrastructure and Expansion of revenue base and massive development in Hoedspruit

D.Agreements/Partnerships

The municipality has a partnership with K2C Biosphere in order to protect the biodiversity within its boundaries by regulating internal land use. The municipality provides resources for this cause. The municipality funds two projects namely, environmental monitors & river restoration programmes. Metz shopping center which is constructed by private sector is at an advanced stage

E. Key Service Delivery Improvements/ Achievements

1. The municipality has spent 100% of its MIG allocation .This reflects that the municipality is indeed committed towards provisioning of basic services as it is a constitutional mandate.
2. The Municipality has received unqualified audit opinion for the third time in a row (2017/18 with few matters of emphasis compared to previous years)
3. The Municipality has received the SALGA best award on compliance in convening Council meetings.
4. The Municipality has appointed the Municipal Manager who will resume duties effective 1st July 2019.
5. The Municipality has purchased service delivery fleet for effective service delivery.

F. Conclusion

Given the infrastructural challenges we are faced with and the limited resources available, we have done well and much need to be done to address the three challenges being underdevelopment, poverty, inequality and unemployment. We need to work hard to mobilize resources to deal with poverty. Let me take this opportunity to thank all the stakeholders and staff members for ensuring that the municipality retained **unqualified audit opinion** and call upon all stakeholders to make valuable inputs in this Annual Report before council adopts oversight report in march 2020.

COMPONENT B: EXECUTIVE SUMMARY



1.1 Municipal Manager's Overview

As the Council's Administration Head, the Municipal Manager is responsible and accountable for organizational development including appointment of staff, other than those referred in Section 56 (A) of The Municipal Systems Act, subject to Employment Equity Act (no. 55 of 1998). Article 55 of the Systems Act read with Articles 60 to 70 of the Local Government: Municipal Finance Management Act lay down the responsibilities of Accounting Officer i.e. to advise political structures, political office bearers and officials of the municipality (s60), fiduciary responsibility (61), general financial management (s62), asset and liability management (63), revenue management (64), expenditure management (65), budget preparations (68), budget implementation (69), shortfalls, overspending & overdrafts (70), reports and reported matters (71), mid-year budget & performance assessment (s72), Protection (s76) and top management (77) – almost the entire Chapter 8 of the MFMA.

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Appendix E: will be able to outline the municipal Powers and Functions. The population distribution by age categories and gender of the Municipality is presented in figure 3 and table 8, it is clear that the percentage of females increase along with age, implying that women live longer in the age group 0-4 years the percentage of males and females are fairly even, compared to the age group 35-65 and older where female constitute 54 % of the population.

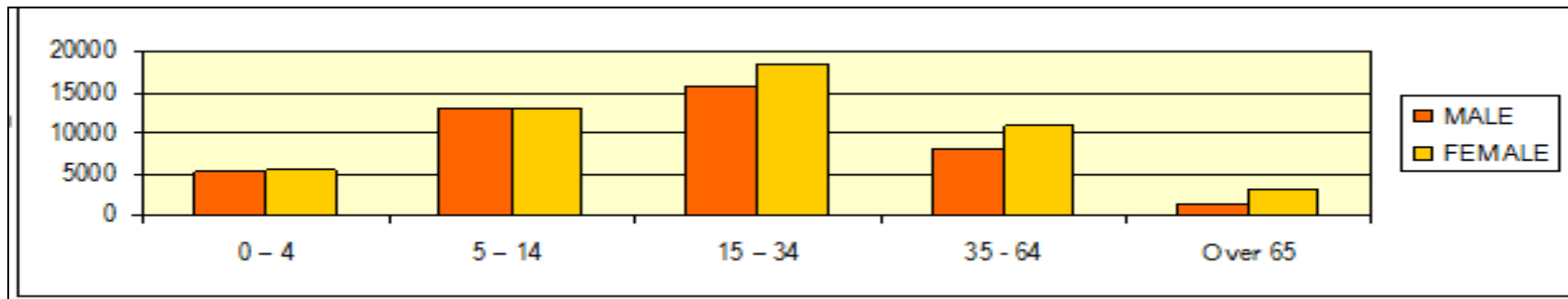
Population Trends

The reconciled total population of Maruleng Municipality is as follows in Table 4 below:

POPULATION			HOUSEHOLDS		
Census 2001	Census 2011	Community survey 2016	Census 2001	2011	Community survey 2016
94383	94 857	99 605	19 668	24 470	28 777
% increased	0.49 (474 persons)	5% (4748 persons)	% increased	24.4% (4 802 households)	17.6% (4 307 households)

Source: Statistics South Africa, 2011& Community Survey 2016

Figure 3: Estimated population by age and gender



Source: Statistics South Africa, 2001

Table 7: Estimated population by age and gender

	0 - 4		5 - 14		15 - 34		35 - 54		55-65		Over 65	Total
	No	%	No	%	No	%	No	%	No	%	No	
MALE	6 039		10 446		16 525		6 864		2 189		1 513	43 576
FEMALE	5 997		10 107		18 528		10 502		2 972		3 175	51 281
TOTAL	12036	12.6	20553	21.6	35053	36.9	17366	18.3	5161	5.4	4688 (4.9)	94 857

Source: Statistics South Africa, 2011

Population age structure

Table 8: Population age structure

Population Under 15	Population 15 To 64	Population over 65
34.40%	60.30%	5.30%

Source: STASSA 2011

The table above indicates the population distribution according to the age structure where most of the population group is at the age between 15 to 64, this age constitute 60.30% of the population, followed by under 15 years at 34.40% and over 65 years at 5.30%. This shows a need for the economic strategy to identify development thrusts that would address the need of the economically active people.

An overview of environmental management indicates that the MLM has one licensed, authorized landfill site i.e. Worcester. The Municipality is responsible for its maintenance. The Maruleng Municipal Area is faced with environmental risks and trends that lead to environmental degradation, a situation that draws a stark attention for the municipality to develop Environmental Management Plan. Maruleng is relatively rich in water as there four major river systems that transverses the municipality namely Ga-Selati, Makhutswi, Olifants and Klaseria river. In terms of climate conditions, large parts of the municipality are identified as a semi-arid zone which means that the municipal area receives low annual rainfall, roughly 401-600mm rainfall per annum.

The southern parts towards the Drakensberg escarpment does not experience dry climate when compared to the entire municipal area, as rainfall is estimated to be from 600mm and can even exceed 1000mm per annum. The Municipal Area and surroundings represent some pristine Protected Areas and Conservation Areas, including the Kruger National Park, Timbavati Game Reserve and Blyde River Canyon Nature Reserve to the south. Most of the rain in the municipal area is received during summer (75%). The temperature ranges from a high average of 21 degrees Celsius to a very high average of 25 degrees Celsius. A wetland was identified in Makgaung area and if properly-managed, could be of economic importance to the local community. The Maruleng environment influences economic opportunities in the area, as well as the living conditions of its inhabitants,

1.3. SERVICE DELIVERY OVERVIEW

The achievements of MLM during the performance year under review are illustrated in the table below:

Key Performance Area (KPA)	Achievements
KPA 1: Spatial Rationale	About R 9m was set aside for the acquisition of land in Hoedspruit for residential purposes. SPLUMA processes in place. 47 land use applications and 151 building applications approved. 88 occupational certificates issued. 6 land use and SPLUMA campaigns conducted.
KPA 2: Basic Service Delivery and Infrastructure Development	The following infrastructure projects were completed: Metz internal road, and Finale access roads. The following roads are between 80% and 95% completion: Hlohlokwe access road, Lorraine-Bellville road, Kanana-Mahlomelong access road and Makgaung access road. 6 graveyards (cemeteries) fenced. 5 low-level bridges almost completed. Bochabelo community hall completed. 11 206 households have access to refuse removal (9162 rural households).
KPA 3: Local Economic Development	About 1339 job opportunities were created through municipal LED initiatives.
KPA 4: Financial Viability	MSCOA processes under way and timelines adhered to. Most critical finance policies were developed. None-reliance on loans
KPA 5: Good Governance and Public Participation	<p>The year under review registered successful eight (8) IDP/Budget Public Participation sessions across wards and special group's engagements. The municipal governance structures were intact and functional as per the legislative requirements i.e. 04 (ordinary council sitting), 10 (special sittings, 18 EXCO meetings, 04 Audit Committee Meetings; 04 MPAC meetings.</p> <p>A successful Mayoral tournament was hosted and 3 best performed schools were honored. Municipality utilizing its own Audit Committee. The municipality received unqualified audit opinions for the past previous financial years, 2016/17 and 2017/18 respectively. SALGA Award on the best municipality in convening council meetings (compliance)</p>

KPA 6: Municipal Transformation and Organization Development	The IDP/Budget (7 th Review) was adopted within the prescribed legal timeline (i.e. May 2016), Performance reviews for S56 Managers was conducted. Legal Officer appointed. Municipal Manager appointed (effective the 1 st July 2019)

1.4. FINANCIAL HEALTH OVERVIEW

The Budget and Treasury Office manages the corporate financial affairs of the Municipality to ensure that the best possible services are rendered with the available funds. The Department provides strategic financial management and financial services to internal clients and is responsible for compiling the annual municipal budget and financial statements and managements reports, to safeguard the assets of the municipality and to ensure that accurate and reliable information is produced.

The strategic objectives of the Budget and Treasury Office are to:

To ensure sound and proper financial management processes and controls are implemented and maintained in accordance with the MFMA, GRAP, Municipal Property Rates Act and other related regulations in order to safeguard the assets of the municipality, to ensure effective and efficient use of resources of the municipality and to provide the management and other stakeholders with relevant, accurate and reliable information on a timely basis to enable users to make better decisions.

The main functions of the Budget and Treasury Office are as follows:

- ✓ Revenue Management - billing of municipal services (e.g. refuse) and collection of revenue
- ✓ Budget Control and Reporting- financial reporting and budget preparations and monitoring
- ✓ Expenditure Management- creditors payments, cash and investment management
- ✓ Supply Chain Management- procurement of goods and services
- ✓ Asset Management- management of municipal properties
- ✓ Fleet Management effective and efficient municipal fleet management

Financial Policies Approved

There are number of financial policies which are relevant to the powers and functions of the municipality which were developed and implemented. These policies are inter alia supply chain management, credit control and debt policy, (which determines that municipal accounts must be paid on the date indicated on the account and none payment will result in debt collection, fixed asset policy (to govern the fixed assets of the municipality, banking and investment policy (to ensure that the municipality's cash resources are managed effectively and efficiently) , indigent policy (to ensure that households who qualified to be indigents have access to at least basic municipal services)

FINANCIAL OVERVIEW

Financial Overview: Year 2018/19			
R'000			
Details	Original budget (operating)	Adjusted budget	Actual
Income:			
Grants	138 532 000	153 822 290	153 817 371
Taxes, levies and tariffs	68 453 744	111 980 644	101 985 952
Sub Total	206 985 744	265 802 836	255 803 323
Fair value Adjustments			2 303 664
Actuarial Gains/ Losses			964 355
Total Revenue	206 985 744	265 802 836	259 071 342
Less: Expenditure	204 659 421	205 146 768	191 970 871
Net Total	2 340 315	60 656 068	67 100 471

Operating Ratios	
Detail	%
Employee Cost	33%
Repairs and Maintenance	1,3%
Finance Charges (Borrowing)	0%

COMMENT ON OPERATING RATIOS:

Employee cost is 33% of the total operating cost and is within the acceptable norm which is between 25% and 40%. Repairs and maintenance constitute 1% and is below the norm of 8%.

Total Capital Expenditure	R'000		
Detail	2017	2018	2019
Original Budget	64 861 698	81 666 000	102 750 276
Adjusted Budget	82 525 995	84 329 000	106 820 137
Actual	52 291 302	83 092 761	97 498 755
% of Budget implemented	75%	61%	91%

COMMENT ON CAPITAL EXPENDITURE:

During the financial year under review the original capital budget was adjusted to allow for an additional funding of R15, 000,000 received. 80% of the capital budget was implemented.

FINANCIAL HEALTH STATUS

The municipality had total revenue of R 259 071 342 in 2018/19 when compared to R 222 422 574 in 2017/18. This marked an increase of R36 648 768 (14%) when compared to the 2018/19. The municipal revenue is categorized into internal and external sources. The internal sources of revenue contributed R105 253 971 which is 40% of the total revenue while external sources contributed 60% of the total revenue at R 153 817 371 i.e. R 112 485 192 (operational revenue) and R41 332 179 (capital revenue).

Total expenditure for the 2018/19 stood at R191 970 871 which illustrate an increase of R42 775 478 (22%) when compared to R149 195 393 in 2017/18. The distribution of expenditure is R63 219 230 (33%) for employee's related costs, R53 285 333 (28%) on general cost while councilors' remuneration stood at R10 572 715 (6%). The overall expenditure led to a surplus of R 67 100 471 comparison to a surplus of R 73 227 181 in 2017/18 financial year. It is further recommended that this section be read together with the Unaudited Annual Financial Statements.

The above information depicts a healthy financial status for the municipality

1.5. ORGANISATIONALDEVELOPMENT OVERVIEW

MLM functioned with five (05) main departments, namely; Budget and Treasury Office, Corporate Services, Community Services, Technical Services and Spatial Planning and Development. The Office of the Municipal Manager provided the overall monitoring and strategic support to all these departments. The Department of Corporate operated without a Director for the past three years since expiry of the contractor of the Director. The MLM had an approved organogram of 180 posts. Of these 159/180 (i.e. 88.33%) were filled as at 30th June 2019, vacant posts included Director Community Services, Chief Finance Officer, Municipal Manager and SPED.

1.6. AUDITOR GENERAL REPORT: A TREND ANALYSIS

The Municipality has obtained Unqualified audit opinion for four(4) consecutives years. A trend analysis of the audit opinion over the last seven (07) years or so is indicated in the following table:

2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Qualified	Unqualified	Qualified	Unqualified	Unqualified	Unqualified	Unqualified

The table above has a telling story. The performance of Municipality to achieve good audit report is dependent on a number of factors that include internal control systems namely; Budget, IDP, SDBIP and compliance to GRAP standard. The AGSA Report also determines the extent to which municipalities are delivering services in an efficient, effective and economic manner. The Municipal has received the overall unqualified audit opinion during 2012/2013, 2013/14, 2015/16, 2016/17, 2017/18 and 2018/19 financial years.

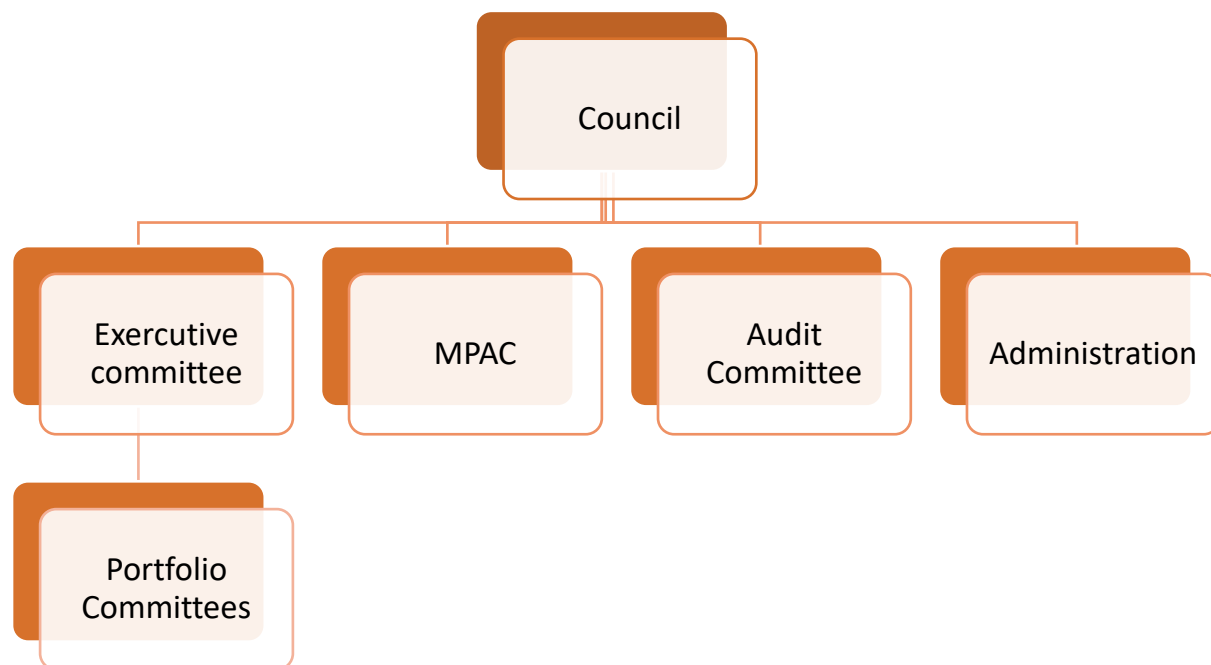
1.7. STATUTORY ANNUAL REPORT PROCESS

It is common cause that the development of this Annual Report is guided by Section 46 of the Local Government: Municipal Systems Act (no.32 of 2000) read with Section 121 of the Local Government: Municipal Finance Management Act (no.56 of 2003) requiring every municipality to prepare an annual report for each financial year. All the material statutory processes requiring to deal with non-financial Performance Report within the prescribed legislative timelines were complied with. **See below table for actual dates:**

No.	Activity	Timeframe	Actual Dates (where applicable)
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July	31/05/2018(IDP/Budget process adopted by Council)
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).		
3	Finalise 4 th quarter Report for previous financial year		
4	Submits draft Annual Report to Internal Audit and Auditor-General	August	31/08/2019
5	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase		
6	Auditor General audits draft Annual Report including consolidated Annual Financial Statements and Performance data	September – October	74% addressed and the remaining 26% were rolled-over to 2019/20 due their nature e.g cascading of performance management to all employees.
7	Municipalities receive and start to address the Auditor General findings		
8	Commencement of draft Budget/IDP finalization for next final year. Annual and Oversight Reports to be used as input		
9	Receive management letter and provide final comments on findings	November	Unqualified
10	Auditor-General submit audit opinion.		
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	January	Pending
12	Audited Annual Report is made public and representation is invited	February	Pending
13	Oversight Committee assesses Annual Report		
14	Council adopts Oversight report	March	Pending

15	Council table next financial year Budget/IDP and invite public representation		
16	Oversight report is made public	April	

CHAPTER 2: GOVERNANCE



The above are the Key MLM's governance structure. They enabled the municipal Council and especially the Mayor as envisaged in s52 of the MFMA (NO.56 OF 2003) to provide political guidance over fiscal and general governance affairs of the MLM. The Audit Committee provides opinions and recommendations in

Performance, Financial processes, and Annual and Oversight reports. The MLM's Audit Committee comprises independent experts in various fields. MPAC which plays an oversight role of council was also established in terms of MSA, 1998.



Worship: The Mayor Cllr. M.H Thobejane

Functions and Powers: The mayor of the Municipality:

- (a) Presides at the meetings of the Executive Committee;
- (b) Performs duties including ceremonial functions;
- (c) Exercises the powers delegated to the Mayor by the Council and Executive Committee (MSA, Act 1998)
- (d) Tables in the municipal council a process outlining key deadlines for preparation, tabling and approval of IDP/Budget (MFMA 2003: s21 (b));
- (e) Co-ordinates the processes for preparing the annual budget and reviewing the Municipality's Integrated Development Plan (IDP) and budget related policies any revisions of the IDP and budget related policies to ensure that they are mutually consistent and credible (MFMA 2003 :s21 (a);
- (f) Manages the drafting of the municipality's IDP (MSA 200:s30 (a) with effect from 1st July; and
- (g) Tables the Draft IDP/Budget to the municipal council for adoption (MSA 200: s30 (c) read with MFMA 2003: s16 (2).



The Speaker: Cllr. Mahlo M.J

Functions of the Speaker: the Speaker of the Municipality:

- (a) Presides at meetings of council
- (b) Performs the duties and exercise the powers delegated to the speaker in terms of section 59 of MSA, 32 of 2000
- (c) Ensures that the council meets at least quarterly
- (d) Must ensure compliance in the council and council committee with code of conduct set out in Schedule 5; and
- (e) Ensures that council meetings are conducted in accordance with the rules and orders of the council in terms of section 37 of MSA, 119 of 1998



The Chief Whip: Cllr. M.L. Mongadi

The Chief Whip's delegation: although the position of the Chief Whip and by extension its function(s) is not legislated, the following are the Chief Whip's delegation in terms of the Council Resolution:

- (a) Maintains sound relations between the municipal governing party and various political parties;
- (b) Ensure that relations are constructive and focused on key issues at hand;
- (c) Attends to dispute between political parties;
- (d) Ensure political accountability of councilors to ward committees;
- (e) Ensure quorum at council meetings;
- (f) Advises councilors belonging to various parties to convene party causes as to determine party positions on specific items/motions on the Council's agenda;
- (g) Generally, organizing the work of councilors in the causes; and
- (h) Collaborates on regular basis with the Council Speaker in relation to issues of discipline and conduct of councilors

<p>EXECUTIVE COMMITTEE</p>	<p>The Executive committee comprise of five (5) members and the Mayor serves as the chairperson of Executive committee. The MLM is the category B Municipality with a collective executive system, combined with a ward participatory system.</p> <p>Functions and powers: The Executive Committee</p> <ul style="list-style-type: none"> ✓ The principal Committee of the Municipal Council which receives reports from other committees of the Council and forward these reports together with recommendations to Council when it cannot dispose of the matter in terms of its delegated powers; ✓ Identifies the needs of the municipality; ✓ Review and evaluate those needs in order of priority; ✓ Recommend strategies, programmes and services to address priority needs through the IDP and revenue estimates and expenditure; ✓ Identify key performance indicators (KPI) which are specific to the Municipality and common to local government in general; ✓ Evaluate progress against KPI; ✓ Review the performance of the Municipality in order to improve the economic efficiency and effectiveness, efficiency of credit control, revenue and debt collection services and implementation of municipal by-laws
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<p>The roles of section 79/80 committees</p>	<p>Members of Executive Committee serves as the chairpersons of various portfolio committees. The role of S79/80 committees is to play the oversight on behalf of council.</p> <p>The following committees are in place:</p> <ul style="list-style-type: none"> ✓ Corporate& Finance Committee ✓ Audit committee ✓ Municipal public Account committee ✓ Ethics Committee ✓ Sports Art and culture ✓ Community services ✓ Economic development ,Spatial planning and planning ✓ Infrastructure development and road services
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Councillors

The MLM has a total of 27 Councillors. Of these 14 are ward councillors, while 13 have been appointed on the basis of proportional representation (PR). There are also traditional leaders who participate in the Municipal Council in terms of the government gazette. **Below is the fully list of Ward Councillors from Ward 01-14 respectively and PR list.**

WARD	WARD COUNCILLOR	GENDER
Ward 1	Cllr Du. Preez E.C	Female
Ward 2	Cllr Mongadi M.J	Male
Ward 3	Cllr Shikwane V.M	Male
Ward 4	Cllr Shokane S.C	Male
Ward 5	Cllr Malepe M.R	Female
Ward 6	Cllr Mathipa M.S	Male
Ward 7	Cllr Shaai L.V	Male
Ward 8	Cllr Mongadi T	Female
Ward 9	Cllr Modiba M	Female
Ward 10	Cllr Popela M.D	Male
Ward 11	Cllr Mogale T.D	Male
Ward 12	CllrMorema J.T	Male
Ward 13	Cllr Mahlo S.F	Male
Ward 14	Cllr Maahlo M.J	Female

ROPOTIONAL COUNCILLORS			
	COUNCILLOR	GENDER	PARTY
1	Cllr Thobejane MH	Female	ANC
2	Cllr Shaai E	Male	DA
3	Cllr Maakamela M.R	Male	ANC
4	Cllr Rakgwale M.J	Female	ANC
5	Cllr Lewela N.M	Male	EFF
6	Cllr Mohlabe B	Male	Warriors
7	Cllr Mkansi S.L	Male	DA
8	Cllr Komane M.M	Female	EFF
9	Cllr Madike F.M	Female	EFF
10	Cllr Sebela D.M	Male	EFF
11	Cllr Kgohlwane M.S	Male	EFF
12	Cllr Mathaba A.M	Female	ANC
13	Cllr Mahlo M.P	Male	Warriors

Political Decision Making

The Council of the MLM has during the period under review, complied with the requirements of the Municipal Structures ACT, 1998 by ensuring that various council committees are set, functional and effective. The Council is ultimate decision making-body. Decisions of Council were taken in compliance to the applicable law of the Republic of South Africa. 100% of the decisions taken by the Council for the year under review were implemented

2.1 ADMINISTRATIVE GOVERNANCE

TOP MANAGEMENT STRUCTURE

MUNICIPAL MANAGER

MR. MAGABANE THABO GELLIOT

CHIEF FINANCE OFFICER

(VACANT)

DIRECTOR: TECHNICAL SERVICES

MR. MACHUBENE MOHALE CHAMP

DIRECTOR: COMMUNITY SERVICES

MS MAKUATA LILLY MOKONYANE

(Contract ended 31.12.2018)

DIRECTOR: SPATIAL PLANNING AND ECONOMIC DEVELOPMENT

MS KHENSANI VERONICA SITHOLE

(Contract ended 31.12.2018)

DIRECTOR: CORPORATE SERVICES

MR. MALATJI KHOMOTSO ELGA

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.2 INTERGOVERNMENTAL RELATIONS

The MLM is required to exercise its executive and legislative authority within the constitutional system of co-operative governance contemplated in s41 of the Constitution (RSA, 200:S3). A performance review of the 2018/19 reveals that the municipality facilitated **5 IGRsessions** in the form of IDP /Budget Representative Forums. The municipality further participated in other IGR sessions within the district and the province of Limpopo.

These sessions involved inter alia: Provincial Development Planning Forum meetings, consultative sessions, District and Provincial IGR etc. These sessions helped a great deal for alignment purposes. They also provided a platform to address issues of mutual interest with the district, province and national government. As the results of these sessions the municipality is housing a number of Sector Departments and other stakeholders at its **Multi-Purpose Centre**.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION.

2.3 PUBLIC MEETINGS.

The municipality prides itself regarding communication and stakeholders' participation structures. The municipality has a communication strategy which indicates who communicates to who, when and how. The municipality held seven IDP/Budget/PMS public participation meetings. The municipal website is also a useful tool which the municipality employs to communicate with its stakeholders to cover the cyber space community. The municipal newsletter published four quarterly editions to communicate municipal programmes

Other forms of communication and public participation during the 2018/19 financial year included the usage of ward public meetings for the 14 wards wherein ward councilors provided feedback and progress report to ward members.

The municipal website is also used as another mechanisms employed to communicate and engage with the local communities. For example, documents such as the Draft IDP/Budget were and are usually placed on the municipal website for public comments. **These public meetings by and large inform municipal planning.**

The table below gives detailed information regarding some of the public participation meetings that were held:

DATE	PURPOSE/ACTIVITY	VENUE	TARGETED PEOPLE	TARGETED	ACTUAL ATTENDEES
15 April 2019	IDP/Budget Public Participation	Makgaung Community Hall	Community members	500	410
		Hoedspruit Community Hall	Community members	200	135
16 April 2019	IDP/Budget Public Participation	Lorraine Sports Ground	Community members	400	415
		Kampersrus Community Hall	Community members	200	217
17 April 2019	IDP/Budget Public Participation	Worcester (Roman Rollers Sports Ground)	Community members	400	363
18 April 2019	IDP/Budget Public Participation	Turkey 1 (Argentina Sports Ground)	Community members	400	389
23 April 2019	IDP/Budget Public Participation	Madeira (Stone Sports Ground)	Community members	500	312

2.4 IDP PARTICIPATION AND ALIGNMENT

The IDP is reviewed annually and in-house. The 2018/19 revised IDP was approved by council on the 31st May 2018 in the council chamber. IDP is reviewed in line with required standard and template and is aligned to the budget. The IDP Process Plan is developed and approved by council as the road map for the review of the IDP and Budget. The IDP Steering Committee is responsible for the review of the IDP/Budget. The draft IDP/Budget is tabled before the council for public participation process to unfold for the purpose of community accessibility and inputs. The IDP representative forum where all stakeholders are represented is also conducted to interrogate the IDP document. All inputs and comments are consolidated and the report is developed based on inputs. The process of prioritization takes place taking in to account the available resources and capacity of the municipality.

IDP PARTICIPATION AND ALIGNMENT	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 54 & 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

COMPONENT D: CORPORATE GOVERNANCE

2.5 RISK MANAGEMENT

The municipality regards risk management as one of the pillars required for the sustainability and corporate management. In compliance to with MFMA which is S62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management. The municipality has a dedicated risk unit. Risk assessment sessions were conducted with the assistance of the Provincial and COGHSTA through the municipal Risk Management Committee to help the municipal management with the identification and profiling of risks within the municipality. The MLM developed both operation and strategic risk registers. From the strategic risk perspective, the following **top ten (10) identified risk were identified:**

No.	Risk Category	Risk Description	Inherent Risk	Actions to improve/manage risk	Risk Owner
1	Spatial Planning and Economic Development	Failure to exploit investment opportunities	High	<ul style="list-style-type: none"> ✓ Job creation through EPWP. ✓ Assisting SMME's to market their products and services at tourism events ✓ Provide support to community work projects ✓ Marketing the municipality ✓ Completion of phase two (2) of branding of Hoedspruit 	Municipal Manager
2	Technical Services	Failure to provide basic services	High	<ul style="list-style-type: none"> ✓ Implementation of WSP agreement ✓ Coordination of bulk water supply 	Municipal Manager
3		Deterioration of municipal roads	High	<ul style="list-style-type: none"> ✓ Upgrading of municipal roads ✓ MISA to assist the municipality in developing the Road Master Plan 	Municipal Manager
4	Spatial Planning and Economic Development	Poor coordination between the municipality and community land use	High	<ul style="list-style-type: none"> ✓ Review of the LUMS ✓ Implementation of SPLUMA 	Municipal Manager

5	Community Services	Inadequate public participation/community involvement	High	<ul style="list-style-type: none"> ✓ Mayor's tournament ✓ Review and implementation of Public Participation Strategy ✓ Review and implementation of Communication Strategy 	Municipal Manager
6	Spatial Planning and Economic Development	Inaccessibility of land for development	High	<ul style="list-style-type: none"> ✓ Acquire land ✓ Prioritizing and redirecting development to other municipal growth points 	Municipal Manager
7	Corporate Services	Inadequately trained workforce	High	<ul style="list-style-type: none"> ✓ Implementation of the Work Skills Plan ✓ Review of the Work Skills Plan 	Municipal Manager
8	Information Technology	Ineffective and inadequate information technology infrastructure	High	<ul style="list-style-type: none"> ✓ Development of Disaster Recovery Plan ✓ Implementation of the Disaster Recovery Plan 	Municipal Manager
9	Budget and Treasury	Inability to enhance revenue	High	<ul style="list-style-type: none"> ✓ Implementation of Credit Control By-law ✓ Implementation of Revenue Enhancement Strategy 	Municipal Manager
10		Fraud and corruption	High	<ul style="list-style-type: none"> ✓ Filling of vacancies ✓ Implementation of SCM policies ✓ Training of SCM personnel ✓ Ensure adherence to timeline procurement plan ✓ Fraud awareness workshops 	Municipal Manager

2.6 ANTI-CORRUPTION & FRAUD

The MLM has reviewed the Fraud Prevention Strategy and Risk Management Policy. The Strategy contain Fraud and Corruption Prevention Plan. The Strategy is founded upon the principle of intolerance to unethical conduct, fraud and corruption. The key risk areas are:

Abuse of leave/authorized leave
Fraudulent subsistence and travel claims
Bribery and gifts
Theft of municipal assets

However, the municipality has developed mechanisms to mitigate these risks. The work done by the Internal Audit Unit to review processes and compliances also serve as a deterrent. In addition the MLM has an Audit Committee which provides independent assurance and oversight. Practices within the MLM attained the standards set out in s117 of the MFMA in which councilors did not form part of the municipal bidding committees.

2.7 SUPPLY CHAIN MANAGEMENT

The MLM has developed the SCM policy and currently implementing Municipal Supply Chain Policy in line with the requirements of Section 112 of the MFMA. The municipal SCM policy is aligned with the key principles enshrined in the SCM Regulations as well as updates to various circulars issued by the National Treasury. As part of practical implementation of SCM Policy, the MLM has put in place mechanisms to ensure that the Committees that preside over procure are independent from one another. Furthermore, the municipality has implemented effective system of contract and performance management to safeguard any possible deficiencies in the supply chain system. Councilors are not sitting in any committees, however, they receive reports on SCM implementation on quarterly basis as part of statutory oversight reporting mechanisms to Council. The municipality reviews the supply chain management policy on an on-going basis to mitigate against any weakness that may emerge also incorporate any changes in the legislation.

2.8 By-Laws

The municipality has introduced only one by-law: credit and debt management by-law.

2.9 WEBSITES.

The municipal website remains one of the tools for communication with community members and key stakeholders. As at 30th June 2018, the following are some of the information published on the municipal website:

<ul style="list-style-type: none">• Final Annual Report 2017/18;
<ul style="list-style-type: none">• Final IDP/Budget 2018/19;
<ul style="list-style-type: none">• Final/Adjusted/Quarterly SDBIP 2018/19;
<ul style="list-style-type: none">• Monthly Budget Report Statements (s71);
<ul style="list-style-type: none">• Senior Managers Performance Agreements;
<ul style="list-style-type: none">• Tenders. etc.

2.10. PUBLIC SATISFACTION ON MUNICIPAL SERVICES

No formal public participation surveys were conducted during the period under review. The municipality relied on public participation sessions referred to above, as well as the usage of the Premier and the Presidential Hotlines to gauge the level of satisfaction/dissatisfaction with municipal services. The issues raised or received are responded to. Majority of complaints are around water provision, which is a district competency.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 WATER AND WASTE WATER (SANITATION) PROVISION

Mopani District Municipality is the Water Service Authority whilst the local municipality is the Water Service Provider. It is the responsibility of the district municipality to implement all major projects on water and sanitation. The local municipality is only responsible for maintenance once the projects are operation.

Basic Service	2017/18backlogs	2018/19 planned interventions	Actual Performance	Comment
Water	7 808	Mametja –Sekororo RWS & upgrading of water reticulation and extension,	The plant is at 98% complete and Bulk supply line and reservoir is still at 70% complete	Only 5 villages have been reticulated but they have no bulk water supply
Sanitation	1 487	0	0	The district did not plan any project in the municipality for 2018/19

3.2 ELECTRICITY

Basic Service	2017/18backlogs	2018/19 planned interventions	Actual Performance	Comment
Electricity	2 303	Turkey 1&2 ext 24 Balloon 61 Willows 61 Worcester/Bismark 72 Molalane/Santang 61 Metz 63 Tickeyline/Mahlomelong/Sofaya 160 Bochabelo ext 167	759	195 connections completed

3.3 WASTE MANAGEMENT

Basic Service	2017/18backlogs	2018/19 planned interventions	Actual Performance	Comment
Refuse removal	22 804	2044	9162	Refuse removal extended to 9162 rural households

3.4 HOUSING

Basic Service	2017/18backlogs	2018/19 planned interventions	Actual Performance	Comment
Housing	1 054	440 RDP houses	235	Delay due to slow progress of the contractor

Housing is the competency of the Department of Cooperative Governance, Human Settlement and Traditional Affairs (COGHSTA)

3.5 FREE BASIC SERVICES AND INDIGENT SUPPORT

Basic Service	2017/18backlogs	2018/19 planned interventions	Actual Performance	Comment
Free Basic Electricity	1 961	1961	312	Unavailability of the qualifying indigents during the registration of the FBE Different beneficiary lists – Municipality v/s ESKOM

COMPONENT E: ROAD AND TRANSPORT

3.6 ROADS, STORM WATER DRAINAGE AND TRANSPORT

The municipality is responsible for municipal roads while there are roads assigned to the District, Province and National government. Public transport is the responsibility of both provincial and national governments.

Service	2017/18 backlogs	2018/19 planned interventions		Actual Performance	Comment
Roads	184.75km gravel road (39.5%) - but all strategic roads tarred	<u>14.8m tarred roads</u> Kanana- Mahlomelong access road (3km) Makgaung access road (4km) <u>Designs of 18 km (gravel to tar)</u> The Oaks internal street (3km)	Santeng graveyard access road (3km) Butswana access road (3km) Willows access road (3km) Madeira access road (3km) Newline- Ga- Fanie access road (3km)	13.3km roadstarred Designs of 18km completed	Quality roads completed The remaining 1.5km road to be completed by 31/12/2018

Detailed report is presented in Chapter 4 under the SDBIP performance report

COMPONENT D: PLANNING AND DEVELOPMENT

3.7 PLANNING

The MLM through Spatial Planning and Economic Development (SPED) is responsible for overall spatial planning and land use management within the municipal jurisdiction.

3.8 LOCAL ECONOMIC DEVELOPMENT

Promoting local economic development is a material function and object of the MLM according to the directive from the provisions of s152 (c) of the Constitution (RSA, 1996)

KEY PERFORMANCE AREA	NO.OF PROJECTS	NO.OF TARGETS	ACHIEVED	NOT ACHIEVED	EVALUATION PER KPA
Local Economic Development+	05	05	04	01	80%

250 jobs were created against the targeted 150 jobs.

COMPONENT E: COMMUNITY & SOCIAL SERVICES

3.9 LIBRARIES, ARCHIVES, MJSEUMS, GALLARIES, COMMUNITY FACILITIES AND OTHER

SERVICE	2017/18 backlogs	2018/19 planned interventions	Actual Performance	Comments
Libraries	2	None	None	Insufficient budget coupled with insufficient study materials at the two existing libraries
Community halls	11	01	01	Bochabelo community hall completed

3.10 CEMETERIES

SERVICE	2017/18 backlogs	2018/19 planned interventions	Actual Performance	Comments
Fencing of cemeteries	12	5	4	4 cemeteries fenced and be fenced in the next financial

3.11. CHILD CARE, AGED CARE & SOCIAL PROGRAMMES

The Municipality implemented the following Special Programmes / initiatives in the 2018/19 financial year:

Indicator	Planned 2018/19 interventions	Actual Progress
No. of HIV/AIDS initiatives	01	01
No. of Youth development initiatives	01	01
No. of Children initiatives	01	01
No. Disable people initiatives	04	04
No. Gender Support Programmes	04	04
No. of Elderly Programmes	01	01
No. of Women initiatives	02	02

COMPONENT F: ENVIRONMENTAL PROTECTION

3.12. POLLUTION CONTROL

The municipality in partnership with K2C initiative implemented environmental monitors and river restoration projects in an attempt to mitigate environmental pollution.

COMPONENT G: HEALTH

3.13. CLINICS AND AMBULANCE SERVICES

There are 10 clinics and 1 hospital in the municipality. The municipality has approximately 75% of communities situated within a 20km radius of a clinic. This means that the municipality has 1 clinic for every 6 841 people. The municipality participates in the programmes initiated by the department. The rate of HIV/AIDS according to 2013/14 information from the Department has increased from 8.4% in 2013/14 to 11.7% in 2018/19 financial years respectively. This is not pleasing and requires urgent attention. The Emergency Medical Services function remains with the Mopani District Municipality.

3.14 HEALTH INSPECTION

The function remains with the District Department of Health. The local health inspectors are located at local clinics in the municipal area.

COMPONENT H: SAFETY AND SECURITY

3.15. SAFETY AND SECURITY

The function resides with the Provincial government in the province.

COMPONENT I: SPORTS AND RECREATION

3.16. SPORTS AND RECREATION

SERVICE	2017/18backlogs	2018/19 planned interventions	Actual Performance	Comments
Provisioning of sports and recreation facilities	4	Construction of Maruleng indoor sports Centre	70% complete	Project is on hold pending the approval of the V.O

COMPONENT J: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.17. FINANCIAL SERVICES

The Budget and Treasury Department is responsible for the financials of the municipality.

3.18. HUMAN RESOURCES SERVICES

MLM functioned with five (05) main departments, namely; Budget and Treasury Office, Corporate Services, Community Services, Technical Services and Spatial Planning and Development. The Office of the Municipal Manager provided the overall monitoring and strategic support to all these departments. The Municipal Manager resigned in March 2018 and the municipality has witnessed a number of acting Municipal Manager. The MLM had an approved organogram of 180 posts. Of these 159/180 (i.e. 83.9%) were filled as at 30th June 2019, vacant posts included Director Community Services, Chief Finance Officer SPED and Municipal Manager.

3.19. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

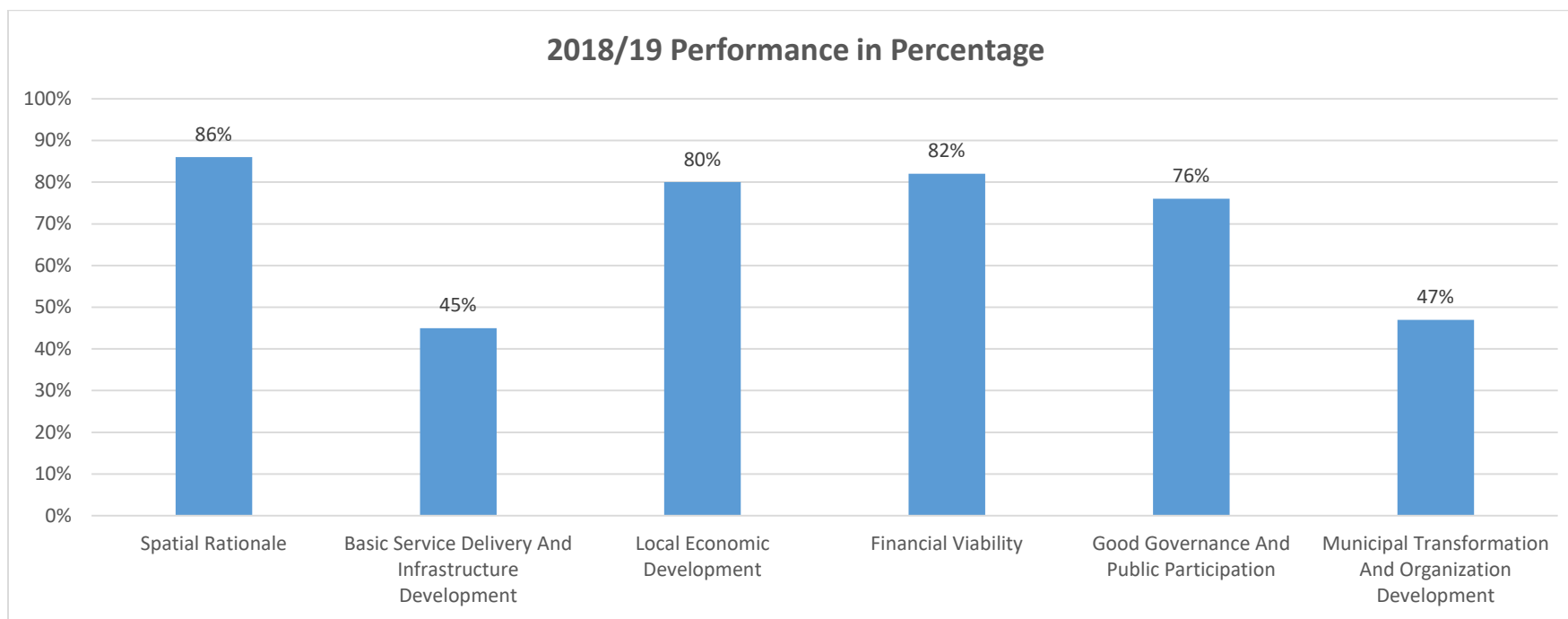
The Information and Communication Technology Unit is entrusted with the responsibility to ensure smooth functioning of the information systems in all municipal buildings. The ICT Unit has managed to develop critical IT documents required by AGSA such as IG Governance Framework, IT Strategy Plan and currently in the process of developing Disaster Recovery Plan. In addition, the ICT Committee was established.

COMPONENT K: CUMULATIVE 2018/19 FOURTH QUARTER PERFORMANCE REPORT

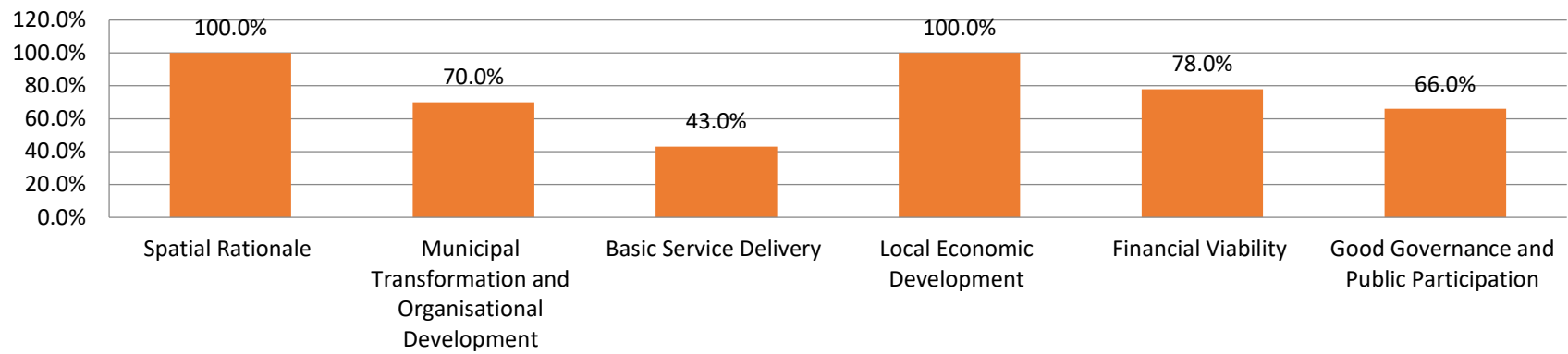
The table serves as an executive Summary of the Performance Report of the non- financial information has contained in the Service Delivery and Budget Implementation Plan (SDBIP) in line with the MFMA Circular 63 of the National Treasury (2012).

A SUMMARY OF ANNUAL PERFORMANCE 2018/19 FY

No:	KEY PERFORMANCE AREA	NO.OF PROJECTS	NO.TARGETS	ACHIEVED	NOT ACHIEVED	ACHIEVED %	NOT ACHIEVED %
1	Spatial Rationale	6	7	06	01	86%	14%
2	Basic Service Delivery And Infrastructure Development	39	40	18	22	45%	55%
3	Local Economic Development	05	05	04	01	80%	20%
4	Financial Viability	14	22	18	04	82%	18%
5	Good Governance And Public Participation	35	49	37	12	76%	24%
6	Municipal Transformation And Organization Development	14	19	09	10	47%	53%
7	Total	113	142	92	50		

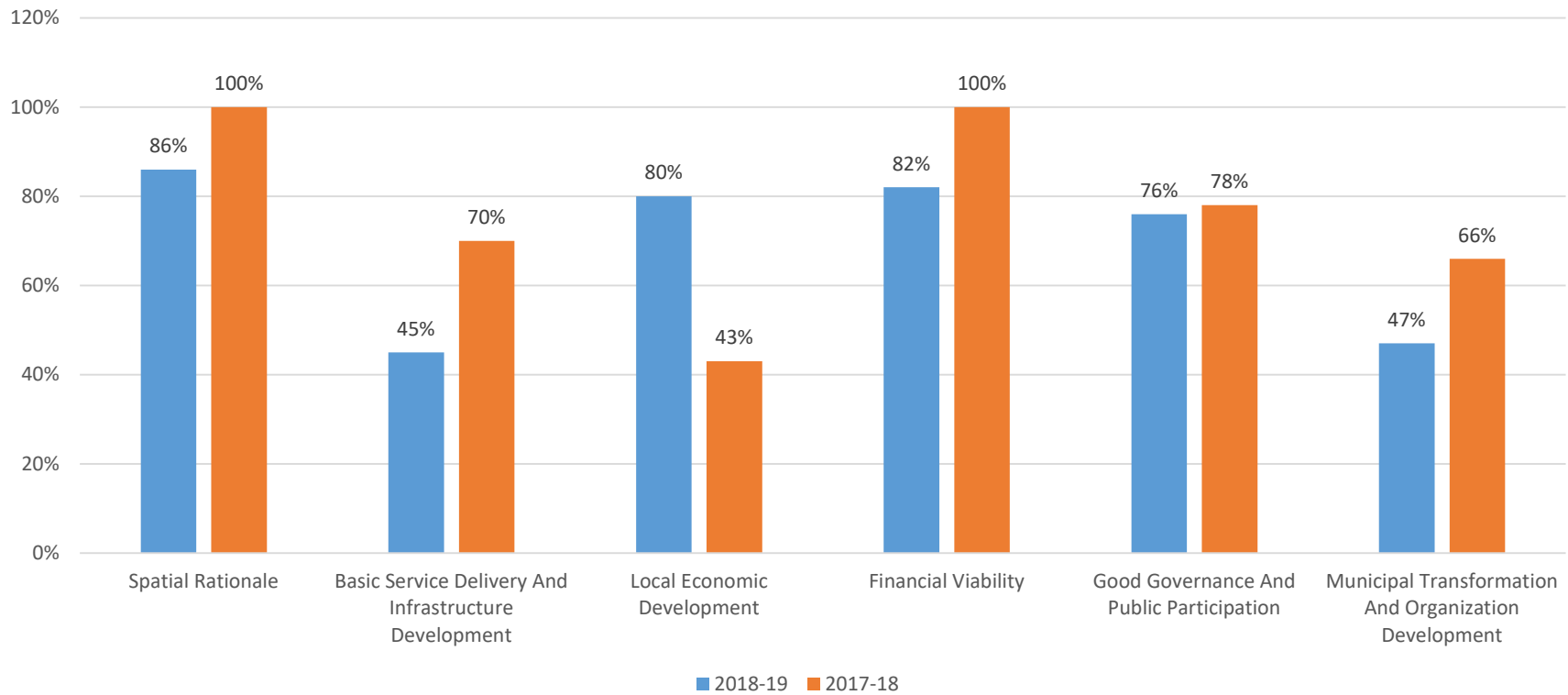


2017/18 Performance in Percentage



In terms of comparative overview, the following appeared in the cumulative annual performance report of the prior year, 2017/18;

2017-18 vs 2018-19 Performance in Percentage



A SUMMARY OF ANNUAL PERFORMANCE 2017/18 FY

No:	KEY PERFORMANCE AREA	NO.OF PROJECTS	NO.TARGETS	ACHIEVED	NOT ACHIEVED	EVALUATION PER KPA
1	Spatial Rationale	6	7	7	0	100%
2	Basic Service Delivery And Infrastructure Development	38	39	16	21	43%
3	Local Economic Development	5	5	4	0	100%
4	Financial Viability	18	22	14	4	78%
5	Good Governance And Public Participation	45	47	21	11	66%
6	Municipal Transformation And Organization Development	21	26	16	7	70%
7	Total	133	146	76	44	

The tables above narrate a story of MLM's non-financial performance in comparative perspective. The performance for the 2018/19 Financial Year is 65% compared to 76% of the prior year 2017/18. The overall performance represents increase of 6.2% for the year under review when compared to the prior year. It is a matter of performance record and comparison that the expenditure of Municipal Infrastructure Grant (MIG) for the 2017/18 financial year increased from 100% to 100% compared to the prior year 2018/19.

2018/19 PERFORMANCE OF EXTERNAL SERVICE PROVIDER.

Performance of External Service Providers is included in the report.

2018/19 PERFORMANCE OF NATIONAL KEY PERFORMANCE INDICATORS (KPIs)

The table below gives status quo of access of basic services which are National Targets.

BASIC SERVICES

BASIC SERVICES	ACCESS (Households)	%
Water	16 662/24 470	68%
Sanitation	22 983/24 470	93.9%
Electricity	22 297/24 470	91.1%
Refuse removal	11206/24 470	45.7%
Housing	24 016/24 470	98.1%

FREE BASIC SERVICES

BASIC SERVICES	ACCESS (Households)	%
Water	2 405/3 700	65%
Sanitation	3 213/3 700	86.8%
Electricity	2016/3 700	54.5%
Refuse removal	11206/3 700	100%
Housing	3 246/3 700	87.7%



MARULENG LOCAL MUNICIPALITY

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

PERFORMANCE REPORT

2018/2019 FINANCIAL YEAR (30TH JUNE 2019)

STRATEGIC OVERVIEW

VISION

“TO BE THE POWERHOUSE OF SOCIO-ECONOMIC DEVELOPMENT THROUGH SUSTAINABLE AND INTEGRATED AGRICULTURE AND TOURISM”

MISSION

“MARULENG LOCAL MUNICIPALITY IS COMMITTED TO THE ACCELERATED PROVISION OF QUALITY BASIC SERVICES AND PROMOTION OF SOCIO-ECONOMIC DEVELOPMENT THROUGH THE HARNESSING OF ALL RESOURCE ENDOWMENTS IN AN INTEGRATED AND SUSTAINABLE MANNER”

BACKGROUND AND OVERVIEW

The enactment of the Local Government: Municipal Finance Management Act (no.56 of 2003) introduced additional requirements for the municipal planning, budgeting and performance monitoring into the local government legislative framework. Chief amongst the management reforms introduced by the MFMA is the requirement that municipalities must develop “SERVICE DELIVERY AND BUDGET IMPLEMENTATION (SDBIP)”. Regarding SDBIP, Section 53(c) (ii) of the MFMA (no.56 of 2003) states as follows: “the Mayor of the Municipality must take reasonable steps so that the municipality's Service Delivery and Budget Implementation Plan is approved by the Mayor within 28 days after the approval of the budget”.

The SDBIP must be submitted to the Mayor by the Municipal Manager within 14 days after the adoption of the budget by the Municipal Council. The SDBIP basically operationalizes the IDP/Budget. It is developed in compliance with the MFMA read with s40 of the Local Government: Municipal Systems Act (32 of 2000). The above sums up the legislative requirements of the SDBIP. The SDBIP is also aligned to the MLM's Performance Management System Framework. The Municipal's SDBIP was also informed by the **National Treasury's Framework for Managing Programme Performance Information** dated May 2007. **Section 54 (1) of the MFMA, Act 56 Of 2003, further requires the adjustment of the SDBIP in line with the Adjusted Budget.**

THE MUNICIPAL PRIORITIES AND DEVELOPMENT OBJECTIVES

The MLM's development objectives are two- fold, long-term developmental objectives and medium-term objectives. The following table highlights the municipal strategic development priorities and long-term development objectives as extracted from the IDP/Budget (2018/19 financial year)

Priority Area	Development Objectives
1. Spatial Rationale	1.Promote integrated human settlements ad agrarian reforms
2. Basic Service Delivery	1. Improve community well-being through accelerated service delivery
3. LED	1. Promote local economic development 2. Develop partnerships
4. Municipal Financial Viability and Management	1. Sound financial management
5.Good Governance and Public Participation	1.Putting people first 2. Promote inter-governmental function and coordination
6.Municipal Transformation and Organization Development	1.Build capable institution and administration

Source MLM IDP (2018/19: 92)

PERFORMANCE OVERVIEW

For the financial year under review the municipality had a total of **113 projects/programmes and 142 indicators**. KPA 1 has 6 projects and 7 indicators, KPA 2 has 39 projects and 40 indicators, KPA 3 has 5 projects and 5 indicators, KPA 4 has 14 projects and 22 indicators, KPA 5 has 35 projects and 49 indicators and KPA 6 has 14 projects and 19 indicators. A general regard is given to narration of quantitative (especial where percentage are seemingly indispensable- indicator description). Targets are largely cumulative (except for few instances where this may not be amendable. Projects are listed according to KPAs as captured in the IDP/Budget, SDBIP read together with the Adjustment SDBIP and Mid-year SDBIP Report. The adjustments effected during the Mid-year SDBIP adjustment exercise herein pertain to a wide range of performance information such as review of targets, indicators, activities and to some extent the PoE (Portfolio of Evidence). As spelled out in Local Government: Municipal Planning and Performance Management Regulations (RSA, 2001, s09) read with Local Government: Municipal Systems Act (no.32 of 2000), targets and indicators are set out in the relevant sections of the 2018/19 IDP/Budget read together with the SDBIP. The SDBIP is developed annually to monitor the implementation and performance of both the IDP and budget.

KPA 1: SPATIAL RATIONALE

STRATEGIC OBJECTIVE: “Promote integrated human settlements and agrarian reform”

PROJECT 1.1: Spatial Development Framework

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that planning and development is informed by the SDF	Spatial Development Framework implemented ¹	Spatial Development Framework implemented	Spatial Development Framework implemented	1 SDF implemented	None	None	None	Achieved	Reports on the implementation of SDF
Budget (R)	R0	N/A	N/A	N/A	N/A	N/A	N/A		

¹All land developments done as per SDF

Project 1.2: Update of LUMS

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that Land Use Management Scheme is updated	Turnaround time in processing land applications from the date received ²	30 days(211 building plans received and updated o the building register. 151 plans approved. 88 occupation certificate issued. 60 plans pending approval	30 days	122 Building plans received:98 plans approved(within 30days) 411 inspections conducted 59 occupation certificates issued 5 billboard approved	24	Plans not approved due to outstanding documents	Submissions of all required documents and payments before processing building plans	Not Achieved	Building plans updated reports
	Turnaround time in processing building plans from the date submitted	90 days(90 days (47) applications processed within 90 days) and 2 are pending public participation)	90 days	31 Applications approved within 90days	None	None	None	Achieved	LUMS updated reports

Budget (R)		N/A	N/A	N/A	N/A	N/A	N/A		

²Processing and finalization of all land development applications and changes of land rights in line with Land Use Management Scheme

Project 1.3 Update of GIS

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that GIS is updated	Turnaround time in uploading municipal data (asset register/properties) on GIS delivery (completion date ³	90 days (GIS was updated on 8 Occasions)	90 days	11 conducted on the system within 90 days	None	None	None	Achieved	GIS quarterly reports
Budget (R)		N/A	N/A	N/A	N/A	N/A	N/A		

Loading of all new developments information in the system

Project 1.4 SPLUMA Campaigns

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that SPLUMA campaigns are held to	Number of SPLUMA	6 land use and SPLUMA campaign conducted: The	4	4 (land use campaigns conducted: Sekoro ro, Bismark,	None	None	None	Achieved	Quarterly reports

educate communities about this act	campaigns are held	Willows,Hlohlokwe,Bochabelo,Sedawa,Lorraine and Bismark		Makgaung and Turkey))(31 March 2019,11 Nov 2018,04 Nov 2018 and 18 Nov 2018)					
Budget (R)		N/A							

Project 1.5 Land Use Management Scheme Campaigns

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that LUMS campaigns are held to educate communities about Land usage	Number of LUMS campaigns are held	6 land use and SPLUMA campaign conducted: The Willows, Hlohlokwe, Bochabelo, Sedawa, Lorraine and Bismarck	4	4(land use campaigns conducted: Sekororo, Bismark, Makgaung and Turkey))(31 March 2019,11 Nov 2018,04 Nov 2018 and 18 Nov 2018)	None	None	None	Achieved	Quarterly reports
Budget (R)		N/A							

STRATEGIC OBJECTIVE: "Promote integrated human settlements and agrarian reform"

PROJECT 1.6: Land Acquisition for Development

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Setting aside an amount for the acquisition of land	Amount (R) set aside for the acquisition of land	12,000,000	3,000,000	3,000,000	None	None	None	Achieved	Financial statements (Investment register)
Budget (R)			3,000,000	3,000,000		N/A	N/A		

KPA 2: BASIC SERVICE DELIVERY

STRATEGIC OBJECTIVE: "Improve community well-being through accelerated service delivery"

Project 2.1: The Oaks Internal Streets

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To upgrade a road from gravel to paved road	Number of kilometers of The Oaks internal streets paved	Designs	1km	0.965km paved	0.35km	Eskom poles not yet removed	To engage Eskom on the matter and continue with the project in the 2019/20 financial year	Not Achieved	Completion certificate
Budget (R)			7,800,000	5,493,828,64	2,306,171,36				Financial statements

Project 2.2: Hlohlokwe Access Road

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To upgrade a road from gravel to paved road	Number of kilometers of Hlohlokwe access road paved	3.3km road paved	1.2km	1.1km paved	0.1km	Contractor terminated due to poor performance	Sub-contractor to be appointed to complete(0.1km) road in the next financial year	Not Achieved	Completion certificate

Budget (R)			1,200,000	788,418,98	411,581,02				Financial statements
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Project 2.3: Balloon Access Road

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To upgrade a road from gravel to paved road	Number of kilometres of Balloon access road surfaced	Designs completed	1km	0.20km	0,80km	Poor performance of the contractor	The contractor has committed to complete the project by the 31 August 2019	Not Achieved	Completion Certificate
Budget (R)			15,250,000	12,112,708,62	3,137,289,38				Financial statements

Project 2.4: Santeng Graveyard Access Road

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To upgrade the santeng graveyard access road	Number of metres of Santeng graveyard access road paved	New	500m	0m	500m	The project started late because of lack of cooperation by the affected community members	The project steering committee to closely monitor the project and make sure that the project is complete	Not Achieved	Completion Certificate
Budget (R)			4 350 000 (Adjusted)	4,204,493,04	145,506,96				Financial statements

Project 2.5: Lorraine - Bellville Road

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To upgrade a road from gravel to tarred road	Number of kilometers of Lorraine-Belville road tarred	2km constructed	1km surfacing	1km surfaced	None	None	None	Achieved	Completion Certificate

Budget (R)			3 400 000 (Adjusted)	3,483,138,67	-83138,67				Financial statements
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Project 2.6: Bismarck Access Road

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To upgrade a road from gravel to tarred road	Number of km of Bismarck road rehabilitated	Damaged road	1km	0 km	1 km	Insufficient budget (detailed design completed)	Additional budget allocated for 2019/20 financial year	Not Achieved	Completion certificate
Budget (R)			1 170,000 (Adjusted)	1,073,226,92	96772,08				Financial statements

Project 2.7: Rehabilitation of Hoedspruit Internal Streets

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To rehabilitate a road	Number of km of Hoedspruit internal streets paved	Pot-holed road	1km	0km	1 km	Insufficient budget (detailed design completed)	Additional budget allocated 2019/20 financial year	Not Achieved	Completion certificate

Budget (R)			1 500,000 (Adjusted)	0	1,500,000				Financial statements
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Project 2.8: Rehabilitation of Kampersrus Road

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To rehabilitate a road	Number of metres of Kampersrus road rehabilitated	Damaged road	500m	0m	500m	Insufficient budget (detailed design completed)	Additional budget allocated 2019/20 financial year	Not Achieved	Completion certificate
Budget (R)			2 500,000 (Adjusted)	1,273,625	1,226,379				Financial statements

Project 2.9: Worcester Access Road

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To rehabilitate a road	Number of metres of Worcester road rehabilitated	Damaged road	500m	0m	500m	The project started late because of lack of cooperation by the affected community members (completed	The project steering committee to closely monitor the project and make sure that the	Not Achieved	Completion Certificate

						earthworks, roadbed, sub-base)	project is complete		
			4 750,000 (Adjusted)	4,530,968,52	219,035,48				Financial statements

Project 2.10: Butswana Access Road

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To upgrade a road from gravel to paved road	Number of metres of Butswana access road paved	Gravel road	500m	0 m	500m	The project started late because of lack of cooperation by the affected community members (roadbed 100m,sub-base 70m)	The project steering committee to closely monitor the project and make sure that the project is complete	Not Achieved	Completion Certificate
Budget (R)			4 700 000 (Adjusted)	4,137,021,92	562,982,08				AFS

Project 2.11: Madeira Access Road

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To upgrade a road from	Number of km of Madeira	Gravel Road	1km paving completed	1km paving completed	None	None	None	Achieved	Completion certificate

gravel to paved road	access road paved								
Budget (R)			6,900,000	4,935,902	1,964,098				AFS

Project 2.12: Willows Access Road

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To rehabilitate a road	Number of km of Willows access road paved	Gravel road	1km	0.4km paved but not commissioned	0.6km	The project started late because of lack of cooperation by the affected community members	The project steering committee to closely monitor the project and make sure that the project is complete	Not Achieved	Completion Certificate
Budget (R)			4 200 000 (Adjusted)	4,296,703,99	-96,703,99				AFS

Project 2.13: Newline-Ga-Fanie Access Road

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To rehabilitate a road	Number of metres of Newline-Ga-Fanie access road paved	Gravel road	500m	0m	500m	The contractor has just been appointed and busy with establishment	The project steering committee to closely monitor the project and make sure that the project is complete	Not Achieved	Completion Certificate
Budget (R)			4,350,000 (Adjusted)	4,089,150,51	260,849,49				AFS

Project 2.14: Refuse Removal from Households to the Landfill site in Worcester

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure the provision of refuse removal services	Number of households with basic waste removal/collection by 30/06/19	2044	11 206	11 206	None	None	None	Achieved	Quarterly reports
	Number of commercial, institutional and industrial centres with access to solid waste removal services	50 business	50 business establishments	50	None	None	None	Achieved	Quarterly reports
Budget (R)			7 060 000(Adjusted)	7,261,522,77	- 201,522,77				Financial statements

Project 2.15: Fencing of Cemeteries

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that cemeteries are fenced	Number of cemeteries fenced (upgraded)	6	5	4	1	The project started late because of lack of cooperation by the affected community members	The project steering committee to closely monitor the project and make sure that the project is complete	Not Achieved	Completion Certificate
Budget (R)			1,900,000	1,339,634,34	560,363,66				AFS

Project 2.16: Maruleng Indoor Sports Centre

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To upgrade a road from gravel to paved road	% completion construction of Maruleng indoor sports centre	90% completion (brick work completed)	100% completion	93% on completion	7% completion	Delay by the supplier to deliver materials	To ensure that the material is delivered on time and the steering committee to monitor the completion of the project	Not Achieved	Completion Certificate
Budget (R)			14 500 000 (Adjusted)	7,740,535,23	6,759,464,77				AFS

Project 2.17: Calais Sports Field

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure the construction of Sports Field	% completion construction work of Calais Sports Field	New	20.04% (foundation work completed)	20.02%	02%	There was additional scope of work due to budget availability	None	Achieved	Quarterly progress report
Budget (R)			10,320,150	10,753,695,38	- 40,525,38				AFS

Project 2.18: Electricity

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure appropriate maintenance of municipal electrical equipments	Number of electrical equipments maintained	300	300 electrical equipments	439	139	The maintenance was done as the need arises	None	Achieved	Quarterly progress report
Budget (R)			250,000	1,846,708,21	603,290,79				AFS

Project 2.19: Street Lighting

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure appropriate maintenance of street lighting	Number of street lights maintained	148	148	36	130	Lack of maintenance resources (Cherry picker)	Maintenance resources (Cherry picker) budgeted for in the next financial year	Not Achieved	Quarterly Progress report
Budget (R)			300 000 (Adjusted)	0	300 000				AFS

Project 2.20: Roads and Bridges

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure appropriate maintenance of roads and bridges	Km roads and bridges maintained	308km	308km	369.71km	61.71	Increase need for maintenance	None	Achieved	Quarterly Maintenance reports
Budget (R)			1,000,000	83,543,2	16456,8				Financial statements

Project 2.21: Buildings

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
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Ensure appropriate maintenance of buildings	Number of municipal buildings maintained	13	13	13	None	None	None	Achieved	Quarterly Maintenance reports
Budget (R)			600,000	1,090,506,48	490,506,48				Financial statements

Project 2.22: Routine Maintenance of Vehicles

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure appropriate maintenance of vehicles	Number of Vehicles maintained	10	10	10	None	None	None	Achieved	Quarterly Maintenance reports
Budget (R)			750,000	1,376.487.67					Financial statements

Project 2.23: Machines

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure appropriate maintenance of machines	Number of municipal heavy machines maintained	3	3	3(two graders and tractor)	None	None	None	Achieved	Quarterly Maintenance reports
Budget (R)			1 000 000 (Adjusted)	635,752,39	364,251,61				AFS

Project 2.24: Road Master Plan

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure the development of road master plan	Number of road master plans developed	New	1	0	1	Poor performance of service provider(Service provider appointed and draft plan is at 70% completion)	The service provider committed to complete the plan by 31 August 2019. Closely monitor progress	Not Achieved	Quarterly progress report

							through monthly consultant meetings.		
Budget (R)			1,000,000	450,580	549,418				Financial statements

Project 2.25: Restoration of Municipal Buildings

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that municipal buildings are renovated	Number of municipal buildings renovated	Damaged buildings	1	0	1	Additional scope of works on the contract. (68% completed).	To complete the works by the 31 August 2019.	Not Achieved	Completion Certificate
Budget (R)			2,000,000	859,596,57	1,140,402,43				Financial statements

Project 2.26: Municipal buildings repaired

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that Maruleng buildings are repaired	Number of municipal buildings repaired	Damaged buildings	1	0	1	The municipality took a decision during the budget adjustment to exclude the items for 2018/19 financial year	The indicator is catered for under buildings maintained	Not Achieved	Completion Certificate
Budget (R)			0 (Adjusted)	0	0				Financial statements

Project 2.27: High Mast Lights

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that high mast lights are erected in strategic places	Number of high mast lights erected	New	4	0	4	The project was advertised and no potential bidder was found	Project to be re-advertised in the next financial year	Not Achieved	Appointment letter
Budget (R)			2,000,000	0	2,000,000				Financial statements

Project 2.28: Thusong learner centre classroom

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that learners	Number of learner	New	1	0	1	The municipality	The matter to be	Not Achieved	Appointment letter

centre class room is upgraded	centre classrooms upgraded					took a decision during the budget adjustment to exclude the items for 2018/19 financial year	looked into, in the 2019/20 financial year		
Budget (R)			0 (Adjusted)	0	0				Financial statements

Project 2.28: Speed Machines

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Routine Maintenance of Speed Machines	Number of Speed machines maintained	2	2	2	None	None	None	Achieved	Quarterly Maintenance report
Budget (R)			80 000 (Adjusted)	56320,28	23683,72				AFS

Project 2.29: Parks and Gardens

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure the maintenance of parks and gardens	Number of parks and gardens maintained	4	4	6	2	Additional gardens	None	Achieved	Quarterly Maintenance report
Budget (R)			150000	139006,16	10993,84				AFS

Project 2.30: Office Furniture

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To purchase office furniture	Number Office furniture purchased	N/A	5 tables and 10 chairs	2Executive Tables,3 Ordinary chairs ,65 High back chairs,70 Visitors chairs,14 Boardroom chairs and 600 chairs for 3 community halls	3 tables, 3 Ordinary chairs ,65 High back chairs,60 Visitors chairs,14 Boardroom chairs and 600 chairs for 3 community halls	There was a need for additional furniture	None	Achieved	Financial report
Budget (R)			1,000,000	827,406	172,592				Financial statements

Project 2.31:Office Equipments

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To Purchase office equipment	Number of Office equipment purchased	N/A	5 office equipment	4	1	The 4 equipment addressed the need	None	Not Achieved	Financial statements
Budget (R)			370,000	23,722,50	346,277,50				Financial statements

Project 2.32: IT Equipments

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To purchase IT equipments	Number of IT equipments purchased	N/A	5 laptops & 10 desk top computers	16 laptops	10 desk top computers	Council took a decision that only laptops should be used	To adhere to the council decision	Not Achieved	Invoice
Budget (R)			250,000	248160,82	101837,18				Financial statements

Project 2.33: Software

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure the soft ware is upgraded	Software upgraded	Software upgraded	Software upgraded	No software upgrade	Software upgrade	The municipality currently facing a problem of license with the current service provider	The municipality to resolve current license problems before software could be upgraded	Not Achieved	Financial statements
Budget (R)			650 000	15,525	634,474				Financial statements

Project 2.34: Access Control Equipments

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure the upgrading of the existing access control equipments	Number of access control equipments upgraded	New	2	0	2	Specification not prepared	To comply to the procurement plan	Not Achieved	Invoice
Budget (R)			500,000	0	500,000				Financial statements

Project 2.35: Plant and Equipment

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Purchasing of plant and equipment	Number of plant and equipment purchased	N/A	2	0	2	Insufficient budget	Budgeted for in the next financial year	Not Achieved	Financial report
Budget (R)			450,000(Adjusted)	234,440	215,560				Financial statements

Project 2.36: Water Cooler

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that water cooler is purchased	Number of water coolers purchased	New	10	0	10	The municipality took a decision during the budget adjustment to exclude the items for 2018/19	The matter to be looked into, in the 2019/20 financial year	Not Achieved	Financial report

						financial year			
Budget (R)			0 (Adjusted)	0	0				Financial statements

Project 2.37: Vehicles

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Purchasing of municipal vehicles	Number of vehicles purchased	N/A	5(4 cars and 1. Waste struck)	14 1 waste truck and other 7 bakkies 2 sedans 1 taxi, 3 trucks vehicles	9(3 trucks delivered but not paid)	The entire municipal fleet was over the required mileage	Disposal of municipal fleet once is reached 250 000km	Achieved	Invoice and delivery note
Budget (R)			1 075,000(Adjusted)	6,081,832,50	5,006,832				Financial statements

Project 2.38: Server Room Upgrade

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Upgrading of server room	Number of server rooms upgraded	Server room	1	0	1	late of compliance to the	Finalizing of the upgrade of	Not Achieved	Invoice

						procurement plan	the server room targeted for July 2019		
Budget (R)			1,200,000	593,709.40	606,290,60				Financial statements

Project 2.39: Air Conditioners

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Purchasing and repair of air conditioners	Number of air conditioners Purchased	new	3	30	27	Need for additional air conditions	None	Achieved	Invoice
Budget (R)			400,000	306,550,43	93,449,57				Financial statements

Project 2.40: Two way radios

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Purchasing of two way radios	Number of two way	new	2	0	2	The municipality took a decision	The matter to be looked into, in the	Not Achieved	Invoice

	radios purchased					during the budget adjustment to exclude the items for 2018/19 financial year	2019/20 financial year		
Budget (R)			0(Adjusted)	0	0				Financial statements

Project 2.40:Road Traffic Signs

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that road traffic signs are erected	Number of Road Traffic Signs erected	New	5	0	5	Delay by the service provider to erect traffic signs	Road traffic signs to be erected by 30 September 2019	Not Achieved	Financial Statements
Budget (R)			10,000	0	10,000				Financial statements

KPA 3: LOCAL ECONOMIC DEVELOPMENT

STRATEGIC OBJECTIVE: "Promote Local Economic Development"

PROJECT 3.1EPWP

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure the creation of jobs through Expanded Public Works Programme	Number of jobs created through EPWP (NKPI)	500	150	270	120	The job opportunities is based on the budget allocated in the financial year	None	Achieved	Quarterly reports
Budget (R)			1 169 000	1,168,999,9	194,1				Financial statements

PROJECT 3.2: K2C SUPPORT

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that K2C is supported	Number K2C programmes supported	3	4	3 K2C programmes supported are: Network day on the 28 Aug; EMS day on the 07 Dec and Mandela day celebration on the 18 July	1	K2C programmes outside control scope of municipality	None	Not Achieved	Quarterly reports
Budget (R)			200,000	0	200,000				AFS

PROJECT 3.3: LED PROGRAMMES

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that LED programmes are supported	Number of LED programmes supported(inclusive of SMMEs)	8	8	109 programmes supported PROGRAMMES : - NARYSEC / EPWP =01 -CWP =01 -LED FORUM-01 LED SMME SUPPORT: 103	None	None	None	Achieved	Quarterly reports

				-Issuing B-BEE Certificate- - File Business Returns - -Offer Business Advice - -Register CSD database- -Business Registration- TRAINING =3 -Business Training					
Budget (R)			150000	109666,52	40333,48				AFS

PROJECT 3.4: LED FORUMS

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that LED Forums are convened	Number of LED Forums convened	2	2	1 LED Forum convened	1	Lack of support by Municipal Manager and Mayor	Commitment of support both by the Municipal Manger and Mayor	Not Achieved	Quarterly reports
Budget (R)			OPEX						Financial statements

PROJECT 3.5 TOURISM

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure the promotion of tourism in the municipal area	Number of existing tourism activities supported	3	3	7 (initiatives supported) Shows supported and attended-1.Letaba show= 09-11 August;2.Getaway show =14-17Sept;3. Go Loma Morula =2 Feb; Marula Festival =25 Feb -02 March;WTM =10-13 April;Easter rand Show =19-28 April; Durban Indaba =02-04 May 2019= total 07 shows attended and supported	4	Additional important tourism events occurred which added value in our tourism initiatives	None	Achieved	Quarterly reports
Budget (R)			650000	637481,64	12517,36				Financial statements

KPA 4: FINANCIAL VIABILITY

STRATEGIC OBJECTIVE: "Sound Financial Management"

PROJECT 4.1: SUPPLEMENTARY VALUATION ROLL

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure credible valuation roll in place by 30 June 2018	# of supplementary taxes implemented	2017/18Valuation roll	1	1	None	None	None	Achieved	Quarterly reports
Budget (R)			OPEX						Financial statements

PROJECT 4.2: COST COVERAGE

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Improved financially viability	Number of acceptable months for municipal sustainability	3 months	3 months	3 months	11 months	over performance due to sound expenditure control	None	Achieved	Quarterly reports
Budget (R)			OPEX						Financial statements

PROJECT 4.3: REVENUE COLLECTION

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Improved financially viability	% of revenue collected monthly	70%	80%	56%	24%	None payment of property rates for the farms	debt collector appointed for the collection of accounts that are overdue for more than 90 days	Not Achieved	Quarterly reports
Budget (R)			OPEX						Financial statements

PROJECT 4.4: DEBT COVERAGE

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Improved financially viability	% of debt coverage ratio	0%	0%	0%	None	None	None	Achieved	Quarterly reports
Budget (R)			OPEX						Financial statements

PROJECT 4.5: MSCOA

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that budget management is line with MSCOA	% compliance to MSCOA (uniform reporting for municipalities)	100%	100%	100%	None	None	None	Achieved	Quarterly reports
Budget (R)			OPEX						Financial statements

PROJECT 4.6: REVENUE ENHANCEMENT

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To enhance revenue	Number of revenue enhancement strategy reviewed	2017/18 Enhancement Revenue Strategy	1	1	None	None	None	Achieved	Quarterly reports
Budget (R)			N/A						Financial statements

PROJECT 4.7: ASSET AND INVENTORY MANAGEMENT

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure compliance to asset and inventory	% compliance to Asset standard (GRAP 17)	80 % compliance	100% compliance to Asset standard (GRAP 17)	100% compliance to Asset	None	None	None	Achieved	Quarterly reports

management policy (GRAP 17)				standard (GRAP 17)					
	Number of assets update schedules	12	12	12	None	None	None	Achieved	Quarterly reports
Budget (R)			N/A						Financial statements

1 New acquisition, bar code and capture in the register. Capture the expense of the project in progress. When project is completed the unbundling and capitalization in to the asset register takes effect.

PROJECT 4.8: SUPPLY CHAIN MANAGEMENT

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To fully comply with SCM Regulations and National Treasury guide on procurement processes	% compliance to SCM regulations	80 % compliance	100% compliance to SCM regulations	100% compliance to SCM regulations	None	None	None	Achieved	Quarterly reports
	Number of compliant in-year SCM reports submitted on time to Council and Treasury	4	12	12	None	None	None	Achieved	Quarterly reports
Budget (R)			N/A						Financial statements

¹¹Development of municipal procurement plan, capacitate bid committees, meet as per procurement plan, 100% compliance to SCM policy and no regular, fruitless, wasteful and unauthorized expenditure.

PROJECTS 4.9: MFMA IMPLEMENTATION

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To ensure compliance with budget and reporting regulations	Number of S71 reports submitted to the mayor and provincial treasury within 10 working days of start of the month	12 MFMA reports	12	12 MFMA reports	None	None	None	Achieved	Quarterly reports
	Number of S52 reports submitted to Council within 30 days of the end of each quarter	4 MFMA statutory reports	4	4 MFMA statutory reports	None	None	None	Achieved	Quarterly reports
	Number of S72 reports submitted to Council and provincial treasury after assessment by the accounting officer by 25 January	1 Mid-year report (S72)	1	1 Mid-Year Report (25.01.2019)	None	None	None	Achieved	Mid-year report
	Number of Adjustment Budget reports submitted to Council in terms of S28	1 Budget Adjustment Report	1 Budget Adjustment Report	1 Budget Adjustment Report	None	None	None	Achieved	Council Resolution
	Number of MFMA reports submitted to council	compliance to MFMA reporting	20 Reports	20 Reports	None	None	None	Achieved	Quarterly Reports

	Submission of annual financial statements to the A-G within the prescribed timeframes	Submitted within prescribed timeframes	AFS submitted to A-G 31/08/18	AFS submitted to A-G on 31/08/18	None	None	None	Achieved	AFS
	Draft Annual Performance report submitted within regulated time	Submitted within prescribed timeframes	Draft Annual Performance report to AG by 31/08/18	Draft Annual Performance report to AG on 31/08/18	None	None	None	Achieved	APR
Budget (R)			N/A						Financial statements

PROJECT 4.10: EXPENDITURE MANAGEMENT (PERSONNEL BUDGET SPENT)

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Improved managed of municipal spending grants	% of personnel budget spent	90%	100%	74%	26%	Shortage of personnel	Expenditure personnel prioritized in the next financial year	Not Achieved	Quarterly reports
Budget (R)			84,864,053	63 891 979	20 972 074				Financial statements

PROJECT 4.11: EXPENDITUREMANAGEMENT (MIG)

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure compliance to MIG expenditure	% compliance to MIG Expenditure	100%	100%	100%	None	None	None	Achieved	Quarterly reports
Budget (R)			25,020,150	- 41,332,178,83	-4919,17				Financial statements

¹²Capture spending on MIG projects. Compile spending reports in terms of s71 reports

PROJECT 4.12: EXPENDITURE MANAGEMENT (MAINTENANCE BUDGET SPENT)

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Improved allocation of maintenance budget	% of maintenance budget spent	28%	100%	49%	51%	Lack of in house capacity	Maintenanc e skilled personnel to be prioritized in the next financial year	Not Achieved	Financial Report
Budget (R)			3,300,000	1 673 000	1 627 000				Financial statements

PROJECT 4.12: EXPENDITURE MANAGEMENT (CAPITAL BUDGET SPENT)

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Improved expenditure on capital budget	% of capital budget spent	100%	100%	80%	20%	Some projects started late because of lack of cooperation by the affected community members	The project steering committees to closely monitor the project and make sure that the projects are speedily completed	Not Achieved	Quarterly reports
Budget (R)			103,750 150	91 879 411	11 870 739				Financial statements

PROJECT 4.14: FLEET MANAGEMENT

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure effective and efficient utilization of fleet	Number of quarterly reports submitted on fleet management	12	12	12	None	None	None	Not Achieved	Quarterly reports
Budget (R)			OPEX						Financial statements

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

STRATEGIC OBJECTIVE: "Build capable institution and administration"

PROJECTS 5.1: EXTERNAL AUDITING

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure improved audit opinion	% compliance to AG Audit Action Plan (external auditing)	90%	100%	68%	32%	Action plan was finalized in the 3rd quarter of 2018/19.	The Action plan to be finalized in the second quarter. All remaining issues for year-end addressed.	Not Achieved	AG audit Action Plan progress report
	Submit AG Action Plan to	90%	Submit AG Action Plan	Action plan submitted	1 month	Action plan was finalized in the 3rd	To ensure the action plan is finalised days after the issuance of	Not Achieved	AG audit Action Plan

	Council by 31 January		to Council by 31 January	in February 2019		quarter of 2018/19. The report had to be reviewed by the COGHSTA, Provincial Treasury and AGSA	the audit report (2 nd quarter) so that submission will be made on time		
	% of A-G queries resolved	90%	100%	68%	32%	Action plan was finalized in the 3rd quarter of 2018/19.	The Action plan to be finalized in the second quarter. All remaining issues for year-end addressed.	Not Achieved	Implementation Report
Budget (R)			4 550 000 (Adjusted)	4484135,44	65868,56				Financial statements

¹³compile the action plan. Submit to audit committee and council. Monitor the performance of the action plan and report progress to management, audit committee and council and follow-up on areas of lack of progress.

PROJECT 5.2: INTERNAL AUDITING

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To promote good governance	Number of quarterly internal audit reports with recommendations submitted to Council	4	4	4	None	None	None	Achieved	Quarterly reports

	% internal audit findings resolved	100%	100%	83%	17%	Follow up report updated as and when reports are issued.	To continuously monitor the report monthly at management and quarterly at audit committee	Not Achieved	Implementation Report
	% of Audit and Performance Committee resolutions implemented	100%	100%	88%	12%	Resolutions are updated as and when reports are issued.	To continuously monitor the resolutions monthly at management and quarterly at audit committee	Not Achieved	AC Resolution Register
	Number of PMS audits conducted	4	4	4	None	None	None	Achieved	Quarterly reports
Budget (R)			530,000	174,441,26	355,558,74				Financial statements

PROJECTS 5.3: AUDIT COMMITTEE

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
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To promote good governance	Number of audit committee held	10	4	7(25 Aug 2018, 29 Aug 2018, 19 Oct 2018, 27 Nov 2018, 23 Jan 2019, 1st Q-25 Feb 2019, 2nd Q-25 Feb 2019)	3	Additional Special AC Meetings	None	Achieved	Quarterly reports
Budget (R)			600,000	344,104,94	255,895,06				Financial statements

PROJECT 5.4: FRAUD AND CORRUPTION

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	PoE
To minimize corrupt activities	Number of fraud and corruption cases investigated	0	All reported cases	No reported cases	None	None	None	Quarterly reports
Budget (R)			N/A					Financial statements

PROJECTS 5.5: RISK BASED INTERNAL PLAN

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To promote good governance	Annual review of strategic risks plan	Risk Based internal Plan	1 Strategic Risk reviewed	1 Strategic Risk reviewed	None	None	None	Achieved	Risk Reports

	% implementation of identified risks mitigations	Risk Based internal Plan	100%	70%	30%	Management not effectively implementing the agreed action plan	Chairperson of risk management committee has been appointed ,Management committed itself in implementing the agreed action plan	Not Achieved	Progress report on Action Plan
	Number of risk assessments conducted	1	2	2 (01 July 2018 and 13 Feb 2019)	None	None	None	Achieved	Quarterly reports
	Number of institutional Risk Management Committee meetings held	4	4	2(18 Oct 2018 and 22 Feb 2019)	2	The municipality did not have an external chairperson, thus struggled to hold risk management meetings	External chairperson appointed	Not Achieved	Quarterly Reports
Budget (R)			N/A	N/A	N/A				Financial statements

PROJECT 5.6: MPAC

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To promote good governance	% of MPAC resolutions implemented	100%	100%	70%	30%	Delay by council in implementing the reports	Council committed to implement those resolutions effective from the 1 st July 2019	Not Achieved	Quarterly reports
	Number of MPAC meetings held	11	4	16 MPAC meetings held(10 July 2018,12 July 2018,23 July 2018,10 Oct 2018,07 Nov 2018,15 Nov 2018,19 Nov 2018, 07-08 Feb 2019,15 Mar 2019, 19 Mar 2019, 20-21 Mar 2019,04 Apr 2019,22 May 2019,24 May 2019 and 03 Jun 2019)	12	Additional scope of work	None	Not Achieved	Quarterly Reports

Budget (R)			400,000	320612,96	79385,04				Financial statements
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PROJECTS 5.7: COUNCIL FUNCTION AND SUPPORT

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure effective and efficient functioning of Council	Number of council sitting supported	17	4	(16)03 Aug 2018,22 Aug 2018,,29 Aug 2018,31 Aug 2018,12 Sep 2018,01 Oct 2018,30 Nov 2018,09 Jan 2019 ,15 Jan 2019,25 Jan 2019,28 Mar 2019, 16 May 2019,31 May 2019 ,06 Jun 2019,24 June 2019,30 June 2019		Number of special meetings held due to pressing needs	None	Achieved	Quarterly reports
	Number of schedule Executive committee meetings held	7	4	15(31 July 2018, 01 Oct 2018,25 Mar 2019,25 Jan 2019,24 Jan 2019,06 June 2019,16,May 2019, 08 Jan 2019,05 Nov 218, 28 Nov 2019,26 Oct 2019,02 Sep 2019,29 Aug 2018,15 Jan 2019, 27 Mar 2019)	11	Number of special Exco meetings held due to pressing needs	None	Achieved	Quarterly reports
	Number of schedule portfolio committees meetings held	16	16	21 (SC(05 July 2018)SAC(05 July 2018,30 July 2018,29 Nov 2018,01 Feb 2019,22 Mar 2019, 08 July 2019) Admin 25 Oct 2018, 22 Feb 2019,	5	Number of special meetings held due to pressing needs	None	Achieved	Progress report on Action Plan

				<p>Infrastructure (20 Aug 2018, 19 Sep 2018, 03 Oct 2018 and 19 Feb 2019)</p> <p>Planning (28 Aug 2018, 15 Oct 2018, 13 Dec 2018 and 20 Feb 2019)</p> <p>Finance (13 July 2018, 23 Oct 2018, 18 Oct 2018, 25 Oct 2018, 05 Feb 2019 and 22 Feb 2019)</p>					
Budget (R)			N/A	N/A	N/A				Financial statements

PROJECTS 5.12: DISASTER MANAGEMENT (PLAN, CAMPAIGNS & STRATEGIC SESSION)

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure appropriate response to disaster management	Review of Disaster Risk Management Plans reviewed	2016/17 DRM plan	1	1	None	None	None	Achieved	Council resolution
	Number disaster risks management strategic planning session held	0	1	0	1	Delay in adoption of the disaster risk management plan, which was supposed to guide the strategic session plan	The session to be held in the next financial year as council has adopted the plan towards the end of the financial year 2018/19	Not Achieved	Invitations and attendance register

	Number disaster risks management awareness campaigns held	12	4	6(04 Sep 2018,06 Sep 2018,18 Nov 2018, 05 Dec 2018,18 June 2019 and 27 June 2019)	+2	Due to the outbreak of malaria cases	None	Achieved	Quarterly reports
Budget (R)			1,100,000	108,4087,68	15915,32				Financial statements

STRATEGIC OBJECTIVE: "Putting people first"

PROJECTS 5.8: PUBLIC PARTICIPATION,

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To promote community participation and accountability	Number of public participation meetings (imbizos) held	6	4	7(02Sep 2018,15 Apr 2019,16 Apr 2019, 17 Apr 2019, 18 Apr 2019,23 Apr 2019,26 Apr 2019)	3	The Mayor had to address communities affected by protests	None	Achieved	Quarterly reports
	Number of community feedback meetings held	49	56 (4 per ward)	56	None	None	None	Achieved	Quarterly reports
Budget (R)			650,000	498562,54	151437,46				Financial statements

PROJECT 5.9: COMPLIANTS MANAGEMENT

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
To promote community participation and accountability	% of complaints resolved	100%	100%	100%	None	None	None	Achieved	Quarterly reports (complaints management register)
Budget (R)			N/A						Financial statements

PROJECTS 5.7: WARD COMMITTEES SUPPORT

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure effective and efficient functioning of ward committees	Number of functional ward committees	Number of functional ward committees	14	14	None	None	None	Achieved	Quarterly Reports
	Number of monthly ward committees reports submitted	Number of monthly ward committees reports submitted	148	148	None	None	None	Achieved	Quarterly Reports
Budget (R)			3,150,000	3063188,6	86811,4				Financial statements

PROJECT 5.8: COMMUNICATION

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure effective and efficient communication	Communication strategy reviewed and implemented annually	2017/18 Communication Strategy	Communication strategy reviewed and implemented annually	Communication strategy reviewed and implemented	None	None	None	Achieved	Quarterly reports
Budget (R)			65,500	65352,17	145,83				Financial statements

PROJECT 5.9: MAYORAL BUSARY FUND

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Provide requisite support to needy learners	Number of learners supported	4	4	6	2	Two more learner where added to study for a scare skill	None	Achieved	Quarterly reports
Budget (R)			650,000	135,509,71	514,489,29				Financial statements

PROJECT 5.10: TRADITIONAL LEADERS ALLOWANCE

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that traditional leaders receive	Number of traditional leaders receiving	4	4	0	4	Council dates clashes with the	Circular of council schedule meetings to traditional	Not Achieved	Quarterly reports

allowance for attending council meetings	allowance for attending council meetings and activities					traditional deals calendar	leaders at the beginning of the financial year and meeting individual leaders to ascertain reasons for non-attendance		
Budget (R)			12,000	2162,07	9837,93				Financial statements

PROJECT 5.11: ELDERLY

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Provide support to the elderly	Number of elderly initiatives supported	4	4	4	None	None	None	Achieved	Quarterly reports
Budget (R)			91,855	30,321	61,534				Financial statements

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
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Provide support to designated groups	Number of 16 days of activism supported	1	1	1	None	None	None	Achieved	Quarterly reports
Budget (R)			36,855	29,700	7,155				Financial statements

PROJECT 5.12: MARULENG 16 DAYS OF ACTIVISM

PROJECT 5.13: HIV/AIDS PROGRAMMES

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Provide support to HIV/AIDS initiatives	Number of HIV/AIDS awareness road-shows held	24	12	20	8	Working with NGO of Hlokomela and they are conducting a number of activities	None	Achieved	Quarterly reports

Budget (R)			120,000	117,151,74	2,848,26				Financial statements
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PROJECT 5.14: GENDER PROGRAMME

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Provide support to designated groups	Number of gender meetings/initiatives held	4	4	1	3	The forum lapsed	It was suppose to be resuscitated due to cost containment measures from the treasury the forum will not be revived	Not Achieved	Quarterly reports
Budget (R)			151,855	124,155	27,700				Financial statements

PROJECT 5.15: WOMEN'S MONTH PROGRAMME

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Provide support to designated groups	Number of women's month activities	2	2	2	None	None	None	Achieved	Quarterly reports

	initiated and supported								
Budget (R)			58,855 (Adjusted)	57,466,83	1388,17				Financial statements

PROJECT 5.16: NEW BORN BABY

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Congratulate mothers who give birth on the 1 st January	Number of hospital visited	1	1	1(01 Jan 2019)	None	None	None	Achieved	Quarterly reports
Budget (R)			15,000	15,555,72	-555,72				Financial statements

PROJECT 5.17: MARULENG YOUTH PROGRAMMES

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that maruleng youth programmes held	Number of youth initiated initiated	8	6	6	None	None	None	Achieved	Quarterly reports
Budget (R)			250,000 (Adjusted)	224,180	25,820				Financial statements

PROJECT 5.18: MAYORAL SPORTS TOURNAMENT

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that Mayoral sports tournament is held	Number of Mayoral sports tournament held	2	2	2(17 Nov 2018 and 15 Sep 2018)	None	None	None	Achieved	Quarterly reports
Budget (R)			600,000	608,770,43	-8,770,43				Financial statements

PROJECT 5.19: DISABILITY PROGRAMME

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Provide support to designated groups	Number of disability forum meetings held	2	4	4	0	None	None	Achieved	Quarterly reports
Budget (R)			66855	56,875	9,980				Financial statements

PROJECT 5.20: AWARDS TO BEST PERFORMING SCHOOLS

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Encourage and reward best performance	Number of school receiving awards	1	1	1(28 Feb 2019)	None	None	None	Achieved	Quarterly reports
Budget (R)			81,855	77,934,05	3,920,95				Financial statements

PROJECT 5.21: ARTS & CULTURE SUPPORT PROGRAMME

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Provide support to arts and culture programmes	Number of arts and culture initiatives supported	8	4	4	None	None	None	Achieved	Quarterly reports
Budget (R)			300,000 (Adjusted)	288,415	11,585				Financial statements

PROJECT 5.22: EDUCATIONAL PROGRAMMES

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Provide support to learners through education guidance	Number of education summit arranged	1	1	2(12 Jan 2019 and 14 Jan 2019)	None	None	None	Achieved	Quarterly reports
Budget (R)			131, 855 (Adjusted)	100,032,17	31,822,83				Financial statements

PROJECT 5.23: ARRIVE ALIVE

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that road awareness campaigns are held	Number of arrive alive campaigns held	2	2	11	None	None	None	Achieved	Quarterly reports
Budget (R)			41,855	41,700	155				Financial statements

PROJECT 5.24: GREENING PROGRAMME

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that greening initiatives are initiated	Number of greening initiatives initiated	2	2	2(05 Sep 018 and 19 Oct 2018)	None	None	None	Achieved	Quarterly reports
Budget (R)			63,710	56,967,5	6742,5				Financial statements

PROJECT 5.25: EDUCATIONAL AWARENESS CAMPAIGN ON WASTE MAGEMENT

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Provide support to learners through education guidance	Number of awareness campaigns on waste management organized	1	1	1(10 May 2019)	None	None	None	Achieved	Quarterly reports
Budget (R)			76,855	35,050	41,805				Financial statements

PROJECT 5.26: DRIVER OF THE YEAR

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that the driver of the year competition is held	Number of the driver of the year competitions held	New	1	1(15 Sep 2018)	None	None	None	Achieved	Quarterly reports
Budget (R)			7,355	0	7,355				Financial statements

PROJECT 5.27: ENERGY FORUM

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that energy forums are hosted	Number of energy forums hosted	4	4	0	4	The energy forum is been hosted by the district and no invitation was issued for fourth quarter	Liaise with the district to convene quarterly meetings	Not Achieved	Quarterly reports
Budget (R)			31,855	0	31,855				Financial statements

PROJECT 5.28: LIBRARY AWARENESS CAMPAIGNS

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that library awareness campaigns are held	Number of library awareness campaigns held	4	4	3(04 Sep 2018,06 Sep 2018 and 11 Apr 2019)	1	Clash of dates with other municipal activities	To have suitable dates for the next financial year	Not Achieved	Quarterly reports
Budget (R)			101,855	0	101,855				Financial statements

PROJECT 5.29: GO LOMISA MORULA

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Hosting Go Lomisa Morula event	Number of events hosted	1	1	1(03 Feb 2019)	None	None	None	Achieved	Quarterly reports
Budget (R)			1,200,000	1,193,537,39	6,462,61				Financial statements

PROJECT 5.31: CLEANEST VILLAGE

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that cleaning awareness campaigns are held in villages	Number of cleanest village campaigns held	4	1	1(13 Mar 2019)	None	None	None	Achieved	Quarterly reports
Budget (R)			31,855	0	31,855				Financial statements

KPA 6: MUNICIPAL TRANSFORMATION AND ORGANIZATION DEVELOPMENT

STRATEGIC OBJECTIVE: "Build capable institutions and administration"

PROJECT 6.1: IDP REVIEW

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that IDP/Budget are done within the legislated framework	IDP/Budget adopted by Council by 31 May	IDP/Budget adopted by Council on	Adopted by Council by 31 May 2019	IDP/Budget Adopted by Council on the 31 May 2019	None	None	None	Achieved	Council Resolution

		the 31 May 2018							
Budget (R)			800,000	728,897,03	71,101,97				Financial statements

6.2: IDP/PMS STRATEGIC PLANNING SESSION

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that IDP strategies are reviewed	Number of strategic planning sessions held	1	1	1(28-30 Nov 2019)	None	None	None	Achieved	Reports
Budget (R)			350,000	298,679,01	51,319,99				Financial statements

STRATEGIC OBJECTIVE: "Build capable institution and administration"

PROJECT 6.3: PMS

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Sustain management of performance for S54 & S56 Managers	Number of senior managers (section 54 and S56) with signed performance agreements within	4	6	2	4	Delay on appointment after recruitment processes, due to	The Municipality committed to start recruitment processes 3 months earlier	Not Achieved	Performance Agreements

	prescribed timeframe					political consultations	before the expiry of senior managers contracts.		
	Number of formal assessments conducted (S54 & 56)	2	2	0	2	The term of office of audit committee expired and the municipality delayed in appointing the new committee	The committee to be appointed by the 15 th August 2019	Not Achieved	Assessment Reports
Promote institutional accountability and compliance to PMS framework	Number of other officials other than S 56 managers with Performance Plans	0	20	0	20	Delay in finalizing job evaluation processes by COGHSTA	Performance Plans to signed upon completion of job evaluation processes	Not Achieved	Signed performance plans
	Number of in-year performance management reports submitted to Council	4	4	4	None	None	None	Achieved	Quarterly Reports
	Number of Annual and oversight reports adopted	Annual and oversight reports	1	1(25 March 2019)	None	None	None	Achieved	Council Resolution

	within stipulated timeframes	adopted on the 29 March 2018							
Budget (R)			N/A	N/A	N/A	N/A	N/A		Financial statements

STRATEGIC OBJECTIVE: “Build capable institution and administration”

PROJECT 6.10: WORKPLACE SKILLS PLAN

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure capacitated work force	Number of employees and councillors capacitated in terms of Workplace Skills plan	78	70	24	46	None compliance with the skills plan	Strictly adherence to skills works plan in the next financial year	Not Achieved	Training reports
Ensure that municipalities appoint people with the necessary skills that will enable them to accelerate the delivery of basic services	Number of municipal personnel with technical skills/capacity (technicians and engineers)	3	2 (Senior technician & technician)	0	2	The successful candidates had to serve notice of termination with their employers	To report on the 1 st of July 2019	Not Achieved	Quarterly reports
	Number of municipal personnel	4	1 (LUMS officer)	0	1	The successful candidate had to serve	To report on the 1 st of July 2019	Not Achieved	Quarterly reports

	with capacity/skills on spatial planning					notice of termination with their employers			
Strengthen the effectiveness and efficient of municipal minimum competency requirements	Number of municipal personnel with financial minimum competency requirements	7	9	9	None	None	None	Achieved	Quarterly reports
Ensure that people from equity target are appointed in the three highest levels of the municipal management	Number of staff complement with disability	5	5	4	1	Resignation in October 2017	The municipality is above the national norm regarding employees with disability	Achieved	Financial report
Budget (R)			1,500,000	755755,28	744244,72				Financial statements

PROJECT 6.8: EMPLOYMENT EQUITY PLAN (NKPI)

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that people from equity target are appointed in the three highest levels	Number of people from employment equity target group employed in the three	3	2	2	None	None	None	Achieved	EEP report

of the municipal management in compliance with the approved EEP	highest levels of the municipality (National indicator)								
Budget (R)			OPEX						Financial statements

¹⁴ Ensure that all leaves, bonuses and wages are captured by the 20th of every month. Authorize and sign payroll list and sent it to finance to release payment.

PROJECT 6.9: HR WORKING GROUP

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that HR working groups are held	Number of sessions held	4	4	4(03 Aug 2018,09 Nov 2018, 15 Feb 2019 and 18 Mar 2019)	None	None	None	Achieved	Quarterly Reports
Budget (R)			50,000	45580	4420				Financial statements

PROJECT 6.9: TEAM BUILDING ETHICS

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure that Team Building sessions are held	Number of team building sessions held	New	1	0	1	Councilors where committed due to election campaigns and other urgent activities	The target will be removed in the next financial year due to cost	Not Achieved	Quarterly Report

							containment measures		
Budget (R)			100,000	00	100,000				Financial statements

PROJECT 6.9: WORKPLACE SKILLSPLAN

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure capacitated work force	Amount actual spent(1 % of the salary budget of municipality) on implementing workplace skills plan (National Indicator)	479,998	1,500,000	755755,28	744244,72	None compliance with the skills plan	Strictly adherence to skills works plan in the next financial year	Not Achieved	Quarterly Report
Budget (R)			1,500,000	755755,28	744244,72				Financial statements

PROJECT 6.9: PAYROLL MANAGEMENT

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Maximize efficiency of payroll management	% accuracy on payroll information	Payroll system in place	100%	100%	None	None	None	Achieved	Payroll report

Budget (R)			83,134,053	74 464 694	8 669 389				Financial statements
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PROJECT 6.9: HR MANAGEMENT (OVERTIME MANAGEMENT)

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure compliance to overtime regulation	% compliance to overtime regulation	100%	100%	100%	None	None	None	Achieved	Overtime reports
Budget (R)			3 250 000(Adjusted)	3 672 127.13	422 127,13				Financial statements

PROJECT 6.5: LEGAL SERVICES

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Provide requisite legal support	Number of labour grievances resulting in law suit against the municipality	0	0	0	None	None	None	Achieved	Reports

Ensure that the municipality has SLA with all service providers	Number of service providers with signed Service Level Agreement	20	25	24	1	SASSA moved out from Thusong center	None	Not Achieved	Service Level Agreements
Budget (R)			2 500 000(Adjusted)	2376572,8	123431,2				Financial statements

PROJECT 6.6: LABOUR FORUM

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure sound labour practice	Number of Local Labour Forum meetings held	4	4	3(17 Jan 2019, 7 Feb 2018 and 30 Aug 2018)	1	None attendance by management and councilors	LLF prioritized in the next financial year	Not Achieved	Quarterly Reports
Budget (R)			N/A	N/A	N/A	N/A	N/A		Financial statements

PROJECT 6.7: OHS

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Ensure safety and healthy working environment	Number of compliance reports generated	4	4	4	None	None	None	Achieved	Quarterly Reports
Budget (R)			250,000	100589,9	149408,1				Financial statements

PROJECT 6.4: POLICY DEVELOPMENT, BY-LAWS & REVIEWS

Measurable Objectives	Performance Indicator	2017/18 Baseline	2018/19 Target	Actual Performance	Variance	Reasons for variance	Corrective Measures	Verified Actual Performance	PoE
Providing and improving compliance to municipal regulatory environment	Number of by-laws developed/ reviewed	2 (rates & building regulations)	15	15	None	None	None	Achieved	Policy register
Ensure implementation of law-enforcement	Number of by-laws promulgated	1	1	1	None	None	None		Gazette
To ensure that policy workshop is held	Number of policy workshops held	1	1	1(3-5 April 2019)	None	None	None	Achieved	Invitations & attendance register
Providing and improving compliance to municipal regulatory environment	Number of policies developed/reviewed	57	15	57	None	None	None	Achieved	Policy and by-law register
Budget (R)		290 000 (Adjusted)		275,025	14,975				Financial statements

CHAPTER 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The MLM registered a growth of organogram from 156 in 2017/18 to 159 in 2018/19. MLM functioned with five (05) main departments, namely; Budget and Treasury Office, Corporate Services, Community Services, Technical Services and Spatial Planning and Development. The Office of the Municipal Manager provided the overall monitoring and strategic support to all these departments. The positions of the Municipal Manager became vacant 06 March 2018. The MLM had an approved organogram of 196 posts. Of these 159/196 (i.e. 79.6%) were filled as at 30th June 2019, vacant posts including Municipal Manager, Chief Finance Officer, Director Community Services and SPED.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

The below are the municipal Human Resource policies in place and reviewed as and when a need arises:

• HR policies, Placement policy and Procedures
• Staff Retention Policy
• Employee Assistance Policy
• Bursary Policy
• Employee Equity Policy
• Travel and Subsistence Allowance Policy
• OHS Policy

4.3 INJURIES, SICKNESS AND SUSPENSION

Item	2018/19 Report
Injuries	00
Sickness	None
Suspension	02

4.4 PERFORMANCE REWARDS

No assessment conducted for 2018/19 financial year, due to not having Audit Committee.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING.

Below is the training report for the 2018/19 financial year ended 30th June 2019

Occupation	Intervention name	Type of learning intervention	Cost	No. of participants	Gender		Sponsor	Pivotal
					Male	Female		
Councillors	Municipal Governance	Learning Programme	Lgseta funded	8	6	2	Lgseta funded	Yes
Internal Auditing	PIA	Short course		1		✓	Other Municipal Funding	No
Internal Auditing	Audit Performance Information	Short course	9375. 000	2		2	Other Municipal Funding	No
Building inspector	Building inspecting	Short course	8 000.00	1	1		Other Municipal Funding	No
Internal Auditing	PIA 2	Short course	8 151.65	1		✓	Other Municipal Funding	No
OHS	SACPCMP	Short course	14300. 00	1		1	Other Municipal Funding	No
Finance officials, Valuator, PMS officer, Chief Internal Auditor & Skills	MFMA certificate	Learning Programme	7 04 202.50	16	2	12	Other Municipal Funding	Yes

Development Facilitator								
TOTAL	7	7		30		23		

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

Workforce expenditure for the period under review is categorized in to section 54 & 56 managers and other employee costs.

Table below illustrates the expenses per category.

Category of employees	Total expenditure R	% of expenditure
S 54 & 56 Managers	3 480 491	6%
Other Employees	59 738 739	94%
Total employees expenditure	63 219 230	100%

SALARY DISCLOSURES

Designation	Annual Remuneration R	Travel Allowance & other allowances R	Performance Bonuses R	Contribution to UIF, medical aid & pension fund R	Total Package R
Municipal Manager	0	0	0	0	0
Chief Finance Officer	0	0	0	0	0
Director: Technical Services	503 715	231 133	0	1260	736 108
Director: Community Services	437 418	387 7 35	0	96 019	1 054 328

Director: Corporate Services	439 287	224 695		85 657	749 639
Director: Spatial Planning & Economic Development	541 378	309 457	0	89,581	940 416

COUNCILLORS

Designation	Annual Remuneration(R)
Mayor	867 611
Speaker	689 814
Executive Committee Members	2 326 431
Councillors (part time)	5 705 265
Councillors (full time)	983 593
Total	10 572 711

CHAPTER 5: FINANCIAL PERFORMANCE.

COMPONENT A: Statement of Financial Performance.

5.1 Statement of Financial Performance

The Statement of Financial Performance is exhibited in the draft 2018/19 Annual Financial Statements (AFS) submitted to AGSA as an adjunct (additional part) to this Annual Performance Report.

5.2 ASSET MANAGEMENT.

MLM's Asset Register for the 2018/19 is also submitted together with the AFS to AGSA for auditing.

5.3 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

The ratios will be calculated upon finalization of the audited Annual Financial Statements. **COMPONENT B: SPENDING AGAINST CAPITAL BUDGET.**

5.4CAPITAL EXPENDITURE

	Original Budget R	Budget Adjustments R	Final Budget Adjustments R	Actual Outcome R	Variance R	Actual outcome as % of final budget %	Actual outcome as % of original budget %
Total capital expenditure	102 750 000	13 850 000	106 820 137	97 498 775	9 321 362	95%	91%

5.5 SOURCES OF FINANCE (capital budget)

Sources of capital funds	Original Budget R	Budget Adjustments R	Final Budget Adjustments R	Actual Outcome R	Variance R	Actual outcome as % of final budget	Actual outcome as % of original budget
Municipal Infrastructure Grant	26 337 000	15 000 000	41 337 000	41 332 179	4821	156%	99.9%

Internally generated funds(own funding)	76 413 000	15 757 000	60 656 000	50 547 232	26 541 305	66%	83%
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5.6 Summary of audited revenue and expenditure

	Note(s)	2019 (R)	2018 Restated (R)
REVENUE			
Revenue from exchange transactions			
Service charges	24	3 457 694	3 150 246
Finance income	20	14 206 785	10 285 668
Rental of facilities and equipment	50	274 696	224 089
Licenses and permits	21	2 716 240	2 490 110
Agency fees	19	1 940 855	2 129 794
Other revenue	23	1 686 615	2 426 985
Total revenue from exchange transactions		24 282 885	20 706 892

	Note(s)	2019 (R)	2018 Restated (R)
REVENUE			
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	25	77 052 804	70 269 431
Traffic fines	26	610 071	398 600

Gains from fair valuing assets	25	-	1 502 941
Transfer revenue			
Government grants and subsidies received- operating	27	112 485 192	102 321 808
Government grants and subsidies received- capital	27	41 332 179	27 222 902
Total revenue from non-exchange transactions		231 480 246	201 715 682
Total Revenue		255 803 323	222 422 574

EXPENDITURE

	Note(s)	2019 (R)	2018 Restated (R)
Employee rated cost	28	63 219 230	56 700 110
Remuneration of councilors	29	10 572 715	10 367 363
Debts impairment	5	27 865 176	8 774 365
Depreciation and amortization expense	30	19 333 232	16 989 003
Impairment loss	31	2 475 530	4 459 298
Finance cost	32	1 245 772	25 165
Lease rentals on operating lease	22	96 188	-
General expenses	33	53 285 333	42 121 707
Contracted services	47	13 534 621	9 599 233
Loss on fair valuing of assets	25	-	-
Loss on disposal of assets	34	343 074	159 149
Total expenditure		191 970 871	149 195 393
Fair value adjustment		2 303 664	-

Actuarial Gains/Losses		964 355	-
NET SURPLUS /(DEFICIT) FOR THE YEAR		67 100 471	73 227 181

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure on 5 Largest Projects						
	Current Year				Variance Current Year	
	Original Budget (Vat Inc.) R	Awarded Amount (Vat Inc.)R	Adjusted Budget R	Actual Expenditure R	Original Variance (%)	Adjusted Variance (%)
Maruleng indoor sports centre	13 500 000	43,455,238.20	14 500 000	7 740 544	0.00	53% (6 759 456)
The oaks internal street	7 800 000	16 154 143.86	12 434 782	12 434 000	0.00	99,99% (782)
Balloon access road	15 250 000	45,009,570.74	15 250 000	12 112 708	0.00	79,4% (3 137 292)
Madeira access road	6 900 000	16 348 320.86	11 652 174	11 652 174		100%
Calais sports field	10 320 150	37 762 780.88	10 173 170	10 169 140	0.00	99,99% (4030)

	53 770 150	120 967 274	64 010 126	54 108 566	0.00	5,140,217(14,39)
TOTAL						

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS- OVERVIEW

Limited and/or minimal powers and functions i.e. MLM performs **32% (12 out of 38)** of powers and functions given to municipal governments in terms of Constitution (RSA, 1996: S155), pointing to a **low capacity** Municipality. This resulted in MLM not being able to perform a number of key strategic services such as water, sanitation, electricity, housing etc., making its role **facilitatory**, owing to a risk of **unfunded mandate**.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT.

5.9 CASH FLOW STATEMENTS

The Cash Flow Statement is exhibited in the 2018/19 Annual Financial Statements. The municipality closed with a positive cash and cash equivalent of R137 892 725 as at 30 June 2019.

5.10 BORROWING AND INVESTMENT

The Municipality does not have loans.

5.11 SUPPLY CHAIN MANAGEMENT.

The Bid Evaluation and Adjudication Committees have been established. Advertised tenders are being evaluated, adjudicated and appointments are made in terms of the Supply Chain Management Policy. Quarterly reports on tenders are submitted to Council.

5.12 GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

PART B: PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

Municipal Systems Act, No.32 of 2000 Section 46 (1) (a) stipulates that a municipality must prepare for each financial year a performance reflecting the performance of the municipality and of each service provider during the financial year. Below is the performance of external service providers during the year under review:

Name of Service Provider	Service Rendered	Appointment Date	Project Status	Tender Amount	Performance Remarks
The Oaks Internal Street	Matlala Nyapele and Investment Properties	17/09/2018	In progress	R12 351 237.03	Good
Madeira Access Road	Taola Construction cc	18/09/2018	In progress	R12 920 377.00	Good
Calais Sports Field	Lubocon Civils cc	17/09/2018	In progress	R13 698 785.03	Good
Provision of security services for a period of three years	Hlimbyi Trading Enterprise	17/10/2018	In progress	R12 429 826.35	Good
Review of Disaster Management Plan	Vutsila Consulting	17/10/2018	Completed	R4 063 583.24	Good
Leasing of Photocopier Machines for a period of three(3) years	Anaka Group(Pty)Ltd	29/11/2018	In progress	R4 823 727.70	Good
Minimum Competency Levels Training Programme(MFMP)	Kgolo Institute	18/12/2018	Completed	R4 907 647.50	Good
Appointment of a service provider for organizing Go-Loma Morula Event	Daily Double Trading 205 cc	18/01/2019	Completed	R1 104 000	Good
Supply and delivery of disaster relief blankets and tents	Maatshwane Trading Enterprise	18/01/2019	Completed	R209 881.98	Good
Leasing of Photocopier Machines for a period of three(3) years	Anaka Group(Pty)Ltd	29/11/2018	Completed	R350 119.00	Good
Supply and delivery of disaster relief blankets and tents	Maatshwane Trading Enterprise	18/01/2019	Completed	R170 962.00	Good

Appointment of a service provider for organizing Go-Loma Morula Event	Daily Double Trading 205 cc	18/01/2019	Completed	R528 485.00	Good
La Mash Trading	Supply and delivery of office furniture.	16/05/2018	Completed	R638 500.00	Good
Cathu Consulting Inc	Compilation of Operational Risk Register.	16/05/2018	Completed	R389 196.00	Good

BUDGET RELATED POLICIES AND ORGANOGRAM-RESOLUTION NO. MM02/06/18

The following Budget related Policies and Organizational Structure were adopted by Council.

HR Policies	ICT Policies	Finance Policies	Other Institutional Policies
Car Allowance Policy	Data Centre physical Access and environment control	Rates Policy	Sports and Recreation Policy
Employees Bursary Policy	Notebook/ laptop Policy	Indigent Policy	Public Participation Strategy
Succession Plan Policy	Internet acceptable user account Management	Budget Policy	Fleet Management Policy
HR Policy Committee	ICT firewall Policy	Banking and Investment	Community Bursary Policy
Waste Management Policy	Electronic Mail Acceptable Policy	Writing off Irrecoverable	Community Halls
EPWP Policy	ICT Security Policy	Assets and Inventory Management policy	Advertising sign and Hoarding by –law
Employees Performance Management Policy	ICT change management Policy	Credit Control and debt collection by-law	Building regulations by-law
Car Allowance Policy	ICT procedures and manual policy	Financial delegation Framework Policy	Informal Street Trading By law
Employees Bursary Policy	Password Policy	Financial Delegation Policy	Noise Control By-law
Succession Plan Policy	Backup Policy	Supply Chain Management	Personal protective equipment policy
Training and development Policy	Data Centre physical Access and environment control	Credit Control By law	Public Nuisance By-law
Travel and subsistence Policy	Terms of reference for the ICT	Budget Policy	
Car Allowance Policy		Rates By law	
Overtime Policy		Revenue enhancement Policy	

Travel and subsistence Policy		Tariffs Policy	
Car Allowance Policy		Virement Policy	
Leave Policy			
Cell phone Policy			
Retention Strategy			

Report of the auditor-general to the Limpopo provincial legislature and the council on Maruleng Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Maruleng Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Maruleng local municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003 (MFMA) and the Division of Revenue Act, 2018 (Act No. 1 of 2018) (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Significant uncertainties

7. With reference to note 40 to the financial statements, the municipality is the defendant in various lawsuits amounting to R9 014 946. The municipality is opposing these claims as it believes it has reasonable grounds of defending it. The ultimate outcome of this matter cannot

presently be determined and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

8. As disclosed in note 48 to the financial statements, the corresponding figures for 30 June 2018 were restated as a result of an error discovered in the financial statements of the municipality at, and for the year ended, 30 June 2019.

Irregular expenditure

9. As disclosed in note 41 to the financial statements, the municipality incurred irregular expenditure amounting R17 231 820 as it did not follow the supply chain management regulations.

Other matters

10. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

11. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Unaudited supplementary schedules

12. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA standards of GRAP and the requirements of the MFMA and the DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
18. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2019:

Development priority	Pages in the annual performance report
Development priority 2 – basic service delivery	x – x

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
21. The material findings in respect of the reliability of the selected development priority are as follows:

Key performance area 2 – basic service delivery

Number of street lights maintained

22. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the number of street lights maintained. This was due to insufficient and inadequate documents provided for audit. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement as reported in the annual performance report.

Number of buildings maintained

23. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the number of buildings maintained. This was due to insufficient and inadequate documents provided for audit. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement as reported in the annual performance report.

Number of roads and bridges maintained

24. I was unable to obtain sufficient appropriate audit evidence for the reported achievement number of roads and bridges maintained. This was due to insufficient and inadequate documents provided for audit. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported in the annual performance report.

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. Refer to the annual performance report on page(s) x to x; x to x for information on the achievement of planned targets for the year and explanations provided for the under of a significant number of targets. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraph(s) x; x; x of this report.

Adjustment of material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 2: basic service delivery. I raised a material finding on the reliability of the reported performance information, management subsequently corrected some of the misstatements. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

28. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific

matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

29. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements, performance and annual reports

30. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of receivables from non exchange, revenue, expenditure, property plant and equipment, contingent liabilities and commitments were identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion

Human resource management

31. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

Strategic planning and performance management

32. The performance management system and related controls were inadequate as it did not describe how the performance monitoring should be managed, as required by municipal planning and performance management regulation 7(1). Numerous misstatements relating to the reported performance information were identified.

33. No Key Performance Indicators were set in respect of the provision of basic electricity services, as required by section 43(2) of the MSA and municipal planning and performance management regulation 10(a).

Revenue management

34. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

Supply chain management

35. The preference point system was not applied on some of the procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000).

36. Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and Preferential Procurement Regulations. This non-compliance was identified in the procurement processes for Matebele Construction.

Expenditure management

37. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.

Other information

38. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.
39. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
40. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Internal control deficiencies

41. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the unqualified opinion, the finding on the performance report and the findings on compliance with legislation included in this report.
42. The accounting officer did not adequately review the financial statements and the annual performance report. This resulted in the annual financial statements and the annual performance report containing material misstatements.
43. The municipality did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
44. The accounting officer did not review and monitor compliance with legislation. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored.
45. The municipality conducted a risk assessment, as required by the MFMA. However, the mitigation actions designed to address the identified risks were inadequate to prevent recurrence of prior year issues.

Auditor General

Polokwane

2 December 2019



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



MARULENG LOCAL MUNICIPALITY
(Registration number LIM 335)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

MARULENG LOCAL MUNICIPALITY

(Registration number LIM 335)

Financial Statements for the year ended 30 June 2019

Statement of Financial Position as at 30 June 2019

Figures in Rand	Note(s)	2019	2018 Restated*
Assets			
Current Assets			
Inventories	3	47 774	162 002
Receivables from exchange transactions	4	3 163 458	2 857 464
Receivables from non-exchange transactions	5	17 700 481	17 098 753
VAT receivable *Restated	6	9 505 309	12 877 495
Other debtors	7	2 291 963	1 363 251
Cash and cash equivalents	8	137 892 725	131 869 906
		170 601 710	166 228 871
Non-Current Assets			
Investment property	9	8 950 000	6 796 836
Property Plant and Equipment	10	469 778 974	394 283 113
Intangible assets	11	298 294	447 467
Heritage assets	12	372 500	222 000
		479 399 768	401 749 416
Total Assets		650 001 478	567 978 287
Liabilities			
Current Liabilities			
Finance lease obligation	13	1 233 708	-
Payables from exchange transactions *Restated	14	30 062 133	21 471 924
Trade and other payables from non-exchange transactions	15	5 476 777	6 445 398
Provisions	16	8 824 558	7 036 504
Unspent conditional grants and receipts	17	5 112	290
		45 602 288	34 954 116
Non-Current Liabilities			
Finance lease obligation	13	3 471 503	-
Provisions - Employee benefit obligation	18	10 976 697	10 173 668
		14 448 200	10 173 668
Total Liabilities		60 050 488	45 127 784
Net Assets		589 950 990	522 850 503

Accumulated surplus	589 950 974	522 850 503
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MARULENG LOCAL MUNICIPALITY

(Registration number LIM 335)

Financial Statements for the year ended 30 June 2019

Statement of Financial Performance

Figures in Rand	Note(s)	2019	2018 Restated*
Revenue			
Revenue from exchange transactions			
Agency services	19	1 940 855	2 129 794
Interest received - receivables	20	6 135 275	3 536 984
Interest received - investment	20	8 071 510	6 748 684
Licences and permits	21	2 716 240	2 490 110
Other revenue	23	1 686 615	2 426 985
Rental of facilities and equipment	50	274 696	224 089
Service charges	24	3 497 886	3 150 246
Total revenue from exchange transactions		24 323 077	20 706 892
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	25	77 052 804	70 269 431
Traffic fines	26	610 071	398 600
Gains from fair-valuing of assets		-	1 502 941
Transfer revenue and other receipts			
Government grants & subsidies - Operating	27	112 485 192	102 321 808
Government grants & subsidies - Capital	27	41 332 179	27 222 902
Total revenue from non-exchange transactions		231 480 246	201 715 682
Total revenue		255 803 323	222 422 574
Expenditure			
Employee related costs	28	(63 219 230)	(56 700 110)
Remuneration of councillors	29	(10 572 715)	(10 367 363)
Depreciation and amortisation	30	(19 333 232)	(16 989 003)
Impairment loss/ Reversal of impairments	31	(2 475 530)	(4 459 298)
Finance costs	32	(1 245 772)	(25 165)
Lease rentals on operating lease	22	(96 188)	-
Debt Impairment	5	(27 865 176)	(8 774 365)
Contracted services	47	(13 534 621)	(9 599 233)
Loss on disposal of assets and liabilities	34	(343 074)	(159 149)
General Expenses	33	(53 285 333)	(42 121 707)

Total expenditure	(191 970 871)	(149 195 393)
Fair value adjustments	2 303 664	-
Actuarial Gains / (Losses)	964 355	-
Surplus for the year	67 100 471	73 227 181

MARULENG LOCAL MUNICIPALITY

(Registration number LIM 335)

Financial Statements for the year ended 30 June 2019

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	449 699 036	449 699 036
Adjustments		
Correction of errors - Assets	(75 714)	(75 714)
Balance at 01 July 2017 as restated*	449 623 322	449 623 322
Changes in net assets		
Surplus for the year	73 227 181	73 227 181
Total changes	73 227 181	73 227 181
Opening balance as previously reported	521 559 616	521 559 616
Correction of errors	1 290 887	1 290 887
Restated* Balance at 01 July 2018 as restated*	522 850 503	522 850 503
Changes in net assets		
Surplus for the year	67 100 471	67 100 471

Total changes

67 100 471	67 100 471
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MARULENG LOCAL MUNICIPALITY

(Registration number LIM 335)

Financial Statements for the year ended 30 June 2019

589 950 974	589 950 974
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Balance at 30 June 2019

Note(s)

Correction of
prior year
errors⁴⁸

MARULENG LOCAL MUNICIPALITY

(Registration number LIM 335)

Financial Statements for the year ended 30 June 2019

Cash Flow Statement

Figures in Rand	Note(s)	2019	2018
			Restated*
Cash flows from operating activities			
Receipts			
Property rates and service charges		57 822 273	64 645 312
Grants and subsidies		153 822 193	129 545 000
Interest income		14 206 785	10 285 668
Other receipts		3 627 470	(5 037 733)
		229 478 721	199 438 247
Payments			
Employee costs		(71 779 206)	(65 153 208)
Suppliers		(56 618 394)	(30 398 903)
Finance costs		-	-
Interest paid		(2 264 989)	(25 165)
		(130 662 589)	(95 577 276)
Net cash flows from operating activities	35	98 816 132	103 860 971
		98 816 132	103 548 635
Cash flows from investing activities			
Purchase of property, plant and equipment and other assets	10	(97 498 524)	(82 933 614)

Purchase of other intangible assets	11	-	-
Net cash flows from investing activities		(97 498 524)	(82 933 614)
Cash flows from financing activities			
Financial liability		4 705 211	(190 874)
Net increase/(decrease) in cash and cash equivalents		6 022 819	20 424 147
Cash and cash equivalents at the beginning of the year		131 869 906	111 445 759
Cash and cash equivalents at the end of the year	8	137 892 725	131 869 906

MARULENG LOCAL MUNICIPALITY

(Registration number LIM 335)

Financial Statements for the year ended 30 June 2019

Statements of Comparison of Budget and Actual Amounts

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue by source						
Service charges-refuse revenue	3 336 924	107 695	3 444 619	3 497 886	53 267	
Rental of facilities and equipment	371 400	(2 465)	368 935	274 696	(94 239)	
Interest received (trading)	5 756 760	8 995	5 765 755	6 135 275	369 520	
Interest earned - external investments	6 500 004	500 000	7 000 004	8 071 510	1 071 506	
Licences and permits	3 399 708	1 109 065	4 508 773	2 716 240	(1 792 533)	
Agency services	-	10 226 040	10 226 040	1 940 855	(8 285 185)	
Other revenue	6 013 692	(3 212 660)	2 801 032	1 686 615	(1 114 417)	
Total revenue (excluding capital transfers and contributions)	25 378 488	8 736 670	34 115 158	24 323 077	(9 792 081)	

MARULENG LOCAL MUNICIPALITY

(Registration number LIM 335)

Financial Statements for the year ended 30 June 2019

Revenue from non-exchange transactions

Taxation revenue

Property rates	68 756 856	8 730 230	77 487 086	77 052 804	(434 282)
Traffic fines	371 400	7 000	378 400	610 071	231 671

Transfer revenue

Government grants & subsidies - Operating	86 148 000	26 337 192	112 485 192	112 485 192	-
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Government grants & subsidies - Capital	-	-	-	41 332 179	41 332 179
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Other transfer revenue 2	26 337 000	15 000 000	41 337 000	964 355	(40 372 645)
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Total revenue from non-exchange transactions	181 613 256	50 074 422	231 687 678	232 444 601	756 923
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Total revenue	206 991 744	58 811 092	265 802 836	256 767 678	(9 035 158)
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Expenditure by type

Employee related costs	(71 866 509)	3 528 068	(68 338 441)	(63 219 230)	5 119 211
Remuneration of councillors	(11 188 500)	(247 735)	(11 436 235)	(10 572 715)	863 520
Depreciation and amortisation	(27 589 224)	(3 000 005)	(30 589 229)	(19 333 232)	11 255 997
Depreciation and asset impairment	-	-	-	(2 475 530)	(2 475 530)

Finance charges	(80 004)	50 000	(30 004)	(1 245 772)	(1 215 768)
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Lease rental	-	-	-	(96 188)	(96 188)
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Debt impairment	(24 500 004)	15 300 005	(9 199 999)	(27 865 176)	(18 665 177)
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Other materials	-	-	-	(2 473 609)	(2 473 609)	10
Contracted services	(25 063 896)	3 002 810	(22 061 086)	(13 534 621)	8 526 465	
Loss on disposal of assets	(2 473 908)	-	(2 473 908)	(343 074)	2 130 834	12
Other expenditure	(41 889 384)	(12 462 206)	(54 351 590)	(50 811 724)	3 539 866	11
Total expenditure	(204 651 429)	6 170 937	(198 480 492)	(191 970 871)	6 509 621	
Surplus/ (Deficit)	2 340 315	64 982 029	67 322 344	64 796 807		
Surplus/ (Deficit)	-	-	-	(343 074)	(343 074)	
Fair value adjustments	-	-	-	2 303 664	2 303 664	
	-	-	-	1 960 590	1 960 590	

